

**Roundtable on Sustainable Palm Oil Certification  
R S P O**

**[ ✓ ] Surveillance**

Name of Management Organisation : Teluk Bakau Palm Oil Mill - PT Bhumireksa Nusasejati subsidiary of Sime Darby Plantation Bhd.  
 Plantation Name : PT Bhumireksa Nusasejati consist of Teluk Bakau Estate, Nusa Lestari estate and Nusa Perkasa Estate  
 Location : Village of Rotan Semelur, Sub District of Pelangiran, District of Indragiri Hilir, Province of Riau, Indonesia  
 Certificate Code : **MUTU-RSPO/008**  
 Date of Certificate Issue : 11 October 2016      Date of License Issue : 31 January 2019  
 Date of Certificate Expiry : 10 October 2021      Date of License Expiry : 10 October 2019

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA-1.2	08 to 12 October 2018	Muhammad Rinaldi (Lead Auditor), Rizliani Aprianita Hsb, Dwi Haryati, Haikal Kharismansyah	Octo H.P.N Nainggolan	Ardiansyah

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-1.2	28 January 2019

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### FIGURE

Figure 1. Location Map of Teluk Bakau POM – PT Bhumireksa Nusasejati

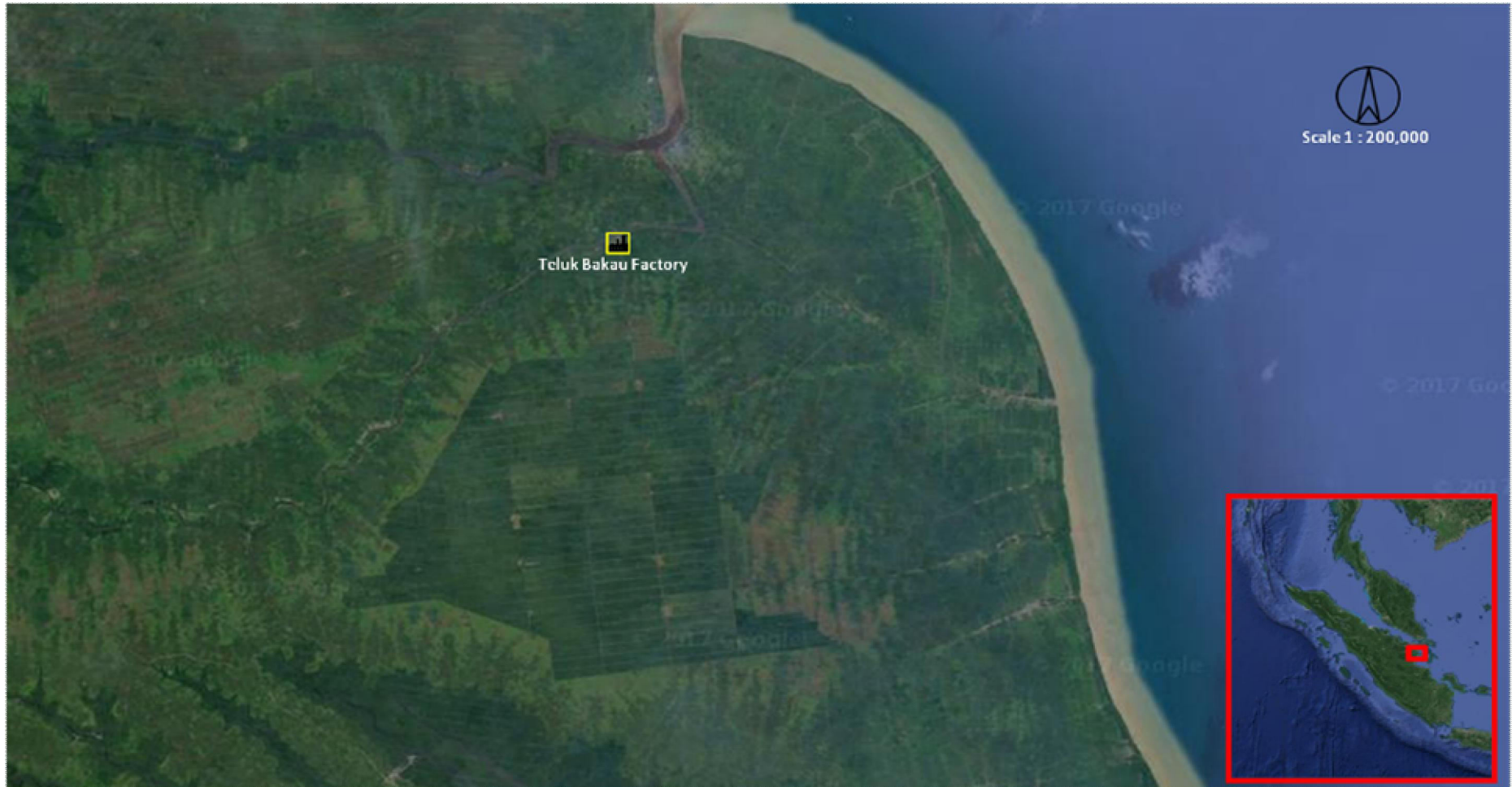
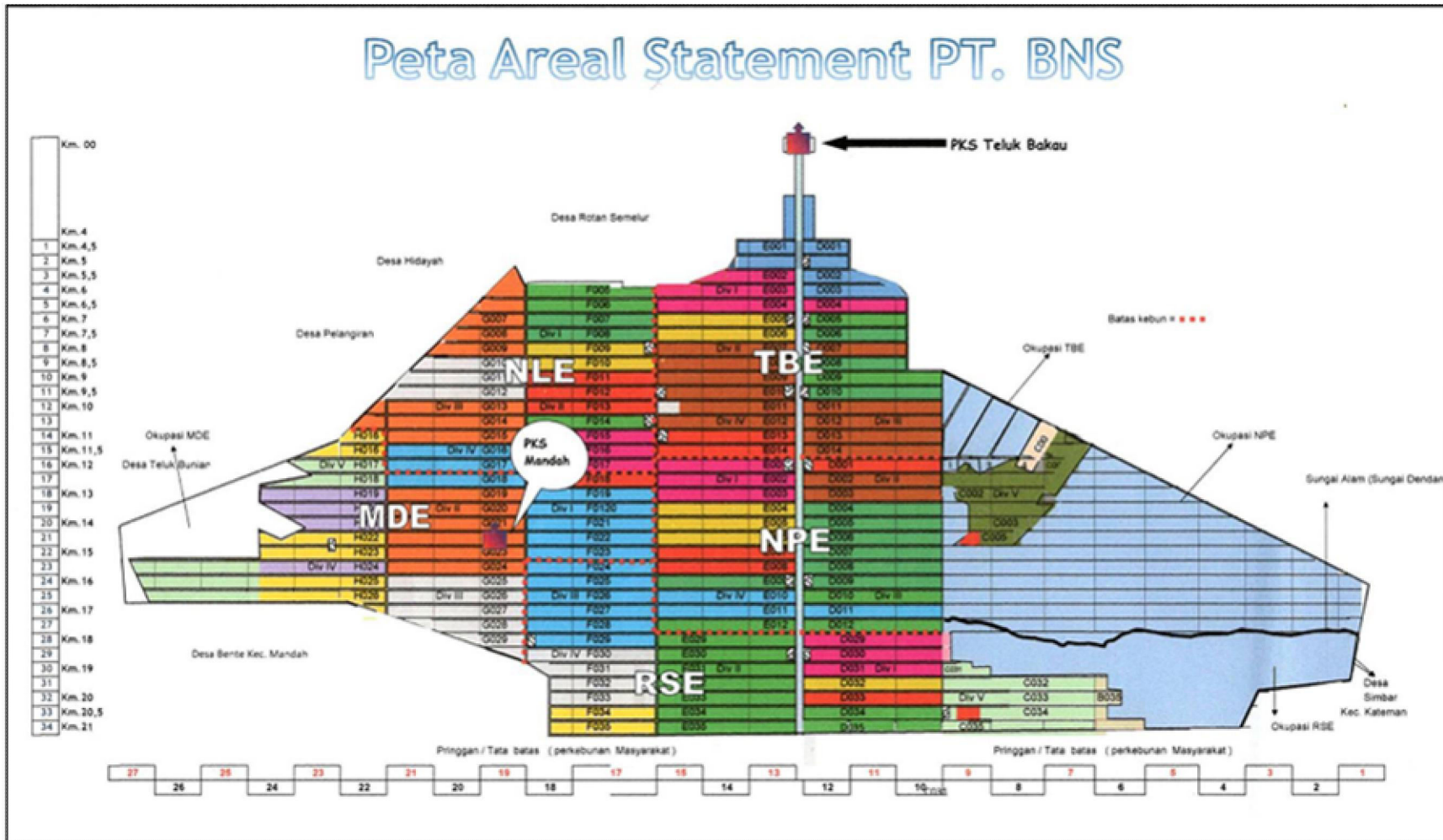


Figure 2. Operational Map of Teluk Bakau POM and its supply bases



Abbreviation Used			
ASA	Annual Surveillance Assessment	OHS	Occupational Health and Safety
AIP	Aneka Inti Persada	P2K3	<i>Panitia Pelaksana Kesehatan dan Keselamatan Kerja</i> (OHS Guiding Committee)
BMP	Best Management Practices	PIC	Person In Charge
BNS	Bhumireksa Nusasejati	Permenakertrans	<i>Peraturan Menteri Tenaga Kerja dan Transmigrasi</i> (Regulation of Labor and Transmigration Ministry)
BOD	Biological on Demand	PK	Palm Kernel
BPN	<i>Badan Pertanahan Nasional</i> (National Land Agency)	POM	Palm Oil Mill
BPJS	<i>Badan Penyelenggara Jaminan Sosial</i> (Social Assurance of Labor)	POME	Palm Oil Mill Effluent
CECT	Closed End Conservation Trenches	PP	<i>Peraturan Pemerintah</i> (Government Regulation)
CH	Certificate Holder	PPE	Personal Protective equipment
COD	Chemical on Demand	PSD	Plantation Services Departement
CPO	Crude palm oil	PSQM	Plantation Sustainability and Quality Management
CSR	Corporate Social Responsibility	PUK	<i>Pengurus Unit Kerja</i> (Work Unit Management)
EIA	Environmental Impact Assessment	RaCP	Remediation and Compensation Procedure
EFB	Empty Fruit Bunch	RKL	<i>Rencana Pengelolaan Lingkungan</i> (Environment Management Plan)
EHS	Environment, Health and Safety	RPL	<i>Rencana Pemantauan Lingkungan</i> (Environment Monitoring Plan)
FFB	Fresh Fruit Bunch	RSPO	Roundtable Sustainable Palm Oil
GCAD	Group Corporation Audit Department	RTE	Rare Threatened and Endangered
GHG	Green House Gas	SCCS	Supply Chain Certification Standard
GM	General Manager	SGM	Senior General Manager
GTM	Global Trade Marketing	SIO	<i>Surat Izin Operator</i> (Operator License)
HCV	High Conservation Value	SOP	Standard Operational Procedure
HGB	<i>Hak Guna Bangunan</i> (Building Use Title)	SOU	Strategic Operation Unit
HGU	<i>Hak Guna Usaha</i> (Land Use Title)	SGM	Senior General Manager
HIRAC	Hazard identification Risk Assessment Risk and Controlling	SOP	Standard Operational Procedure
HPO	Head Plantation Operation	SOU	Strategic Operation Unit
IPM	Integrated Pest Management	SPH	Stand per Hectare
KAN	<i>Komite Akreditasi Nasional</i> (National Accreditation Committee)	SPSI	<i>Serikat Pekerja Seluruh Indonesia</i> (Indonesian Labor Union)
KER	Kernel Extraction Rate	TBE	Teluk Bakau Estate
Kepmenaker	<i>Keputusan Menteri Tenaga Kerja</i> (Labor Ministry Decree)	TBF	Teluk Bakau Factory
LCC	Legume Cover Crop	TMP	Tunggal Mitra Plantation
LTS	Lahan Tani Sakti	TSS	Total Suspended Solids
LUCA	Land Use Change Analysis	WHO	World Health Organization
MRC	Minamas Research Centre	WTP	Water Treatment Plant
MSDS	Material Safety Data Sheet	WWTP	Waste Water Treatment Plant
NGO	Non Government Organization		
NLE	Nusa Lestari Estate		

NPE	Nusa Perkasa Estate		
OER	Oil Extraction Rate		
OHS	Occupational Health and Safety		

<b>1.0 SCOPE of the CERTIFICATION ASSESSMENT</b>			
<b>1.1</b>	<b>Assessment Standard Used</b>		<ul style="list-style-type: none"> <li>• Indonesian National Interpretation Principle and Criteria RSPO 2013 for Indonesia Juli 2016, approved RSPO Governors 30 September 2016.</li> <li>• RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 revised on 14 June 2017 (Module D for CPO Mill)</li> <li>• RSPO Certification System for Principles and Criteria, 14 June 2017</li> </ul>
<b>1.2</b>	<b>Organisation Information</b>		
1.2.1	Organisation name listed in the certificate	PT Bhumireksa Nusasejati subsidiary of SIME DARBY Plantation Bhd	
1.2.2	Contact person	Alagendran A. L. Maniam	
1.2.3	Organisation address and site address	<ul style="list-style-type: none"> <li>• SIME DARBY Plantation Bhd No 2, Plantation Tower Jalan PJU 1A/7 Petaling Jaya, Malaysia 47301</li> <li>• The Plaza Office Tower, 36<sup>th</sup> Floor. Jl. MH Thamrin Kav. 28-30, Jakarta – 10350</li> </ul>	
1.2.4	Telephone	+62-21-29926000	
1.2.5	Fax	+62-21-29922686	
1.2.6	E-mail	<a href="mailto:alagendran.maniam@simedarbyplantation.com">alagendran.maniam@simedarbyplantation.com</a>	
1.2.7	Web page address	<a href="http://www.simedarbyplantation.com">www.simedarbyplantation.com</a>	
1.2.8	Management Representative who completed the application for certification	Alagendran A. L. Maniam (Head of PSQM Plantation Minamas Indonesia).	
1.2.9	Registered as RSPO member	1-0008-04-000-00, 7 September 2004.	
<b>1.3</b>	<b>Type of Assessment</b>		
1.3.1	Scope of Assessment and Number of Management Unit	1 Palm Oil Mill (Teluk Bakau Factory) and 3 supply bases: Teluk Bakau Estate, Nusa Lestari Estate, Nusa Perkasa Estate	
1.3.2	Type of certificate	Single	
<b>1.4</b>	<b>Locations of Mill and Plantation</b>		
1.4.1	Location of Mill		
	<b>Name of Mill</b>	<b>Location</b>	<b>Coordinate</b>
			<b>Latitude</b> <b>Longitude</b>
	Teluk Bakau POM	Village of Rotan Semelur, Pelangiran Sub-District, Indragiri Hilir District, Riau Province, Indonesia	N 0° 15' 23"      E 103° 35' 20"
1.4.2	Location of Certification Scope of Supply Base		
	<b>Name of Supply Base</b>	<b>Location</b>	<b>Coordinate</b>
			<b>Latitude</b> <b>Longitude</b>

Teluk Bakau Estate	Village of Rotan Semelur, Pelangiran Sub-District, Indragiri Hilir District, Riau Province, Indonesia	N 0° 11' 33"	E 103° 35' 49"
Nusa Lestari Estate	Hidayat Village and Pelangiran Village, Pelangiran Sub-District, Indragiri Hilir District, Riau Province, Indonesia	N 0° 11' 07"	E 103° 34' 05"
Nusa Perkasa Estate	Makmur Jaya Village and Penjuru village, Kateman Sub-District, Indragiri Hilir District, Riau Province, Indonesia	N 0° 07' 02"	E 103° 36' 19"

**1.5 Description of Area Statement**

1.5.1	Tenure	
	• State	25684 Ha
	• Community	- Ha
<p><i>*Total permitted area (HGU) of PT Bhumireksa Nusasejati is 25,684 Ha, consist of 2 Mills (Teluk Bakau POM and Mandah POM) and 5 Estates. Certified area within Teluk Bakau POM is 13,317.81 Ha where consist of 1 Mill and 3 Estates (Teluk Bakau Est; Nusa Lestari Est; Nusa Perkasa Est.)</i></p>		

**1.5.2 Area Statement**

• Total area	13317.81	Ha
• Mature area	7926.95	Ha
• Immature area	2474.09	Ha
• Mill	8.81	Ha
• Emplishment	111.97	Ha
• Infrastructure (Road, Bridge, Canal)	827.90	Ha
• Occupation	1918.66	Ha
• HCV	9.43	Ha
• Nursery	40	Ha

**1.6 Planting Year and Cycles**
**1.6.1 Age profile of planting year**

Planting Year	Hectarage (Ha)			
	Teluk Bakau Estate	Nusa Perkasa Estate	Nusa Lestari Estate	Total
1994	1247.24	-	-	1247.24
1995	325.89	692.01	-	1017.90
1996	241.71	420.00	118.85	780.56
1997	-	411.00	279.79	690.79
1998	-	-	707.95	707.95
1999	-	-	374.67	374.67
2009	-	429.00	-	429.00
2011	-	53.58	-	53.58
2013	400.01	-	-	400.01
2014	467.11	413.57	423.65	1304.33
2015	234.18	411.95	274.79	920.92
<b>Sub Total Mature</b>	<b>2916.14</b>	<b>2831.11</b>	<b>2179.70</b>	<b>7926.95</b>



	2016	284.25	396.00	419.67	1099.92		
	2017	126.00	127.00	142.92	395.92		
	2018	126.80	424.00	427.45	978.25		
	<b>Sub Total Immature</b>	<b>537.05</b>	<b>947.00</b>	<b>990.04</b>	<b>2474.09</b>		
	<b>TOTAL</b>	<b>3453.19</b>	<b>3778.11</b>	<b>3169.74</b>	<b>10401.04</b>		
1.6.2	New Planting area after January 2010				Ha		
1.6.3	Planting Cycle				2 <sup>nd</sup> Cycle		
<b>1.7</b>	<b>Description of Mill and Supply Base</b>						
1.7.1	Description of Mill						
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)
	Teluk Bakau POM	60	96485.79	21713.99	22.5	4437.09	4.59
	<i>*Production data source from October 2017 to September 2018</i>						
1.7.2	Description of Certification Scope of Supply Base						
	Name of Estate	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)	Supplied to Mill	
						FFB (tonnes/year)	%
	Teluk Bakau	4025.07	3453.19	33714.21	11.56	33714.21	100
	Nusa Perkasa	5836.00	3778.11	39465.72	13.94	38024.68	96.35
	Nusa Lestari	3456.74	3169.74	23956.22	10.99	23956.22	100
	<b>TOTAL</b>	<b>13317.81</b>	<b>10401.04</b>	<b>97136.15</b>	<b>12.25</b>	<b>95695.10</b>	<b>98.5</b>
	<i>*Production data source from October 2017 to September 2018</i>						
	<i>* Nusa Perkasa Estate on July and August 2018 sent FFB to Mandah Factory with total amount 1441.05 ton</i>						
1.7.3	FFB description from other source						
	Name of sources/Organisation (RSPO certified / non-certified)	Type of Organisation	number of smallholders	Production Area (Ha)	Supplied to Mill		
					FFB (tonnes/year)		
	Mandah Estate (RSPO Certified)	PT Bhumireksa Nusasejati subsidiary of Sime Darby Plantation Bhd.	-	3419.00		329.10	
	Rotan Semelur Estate (RSPO Certified)	PT Bhumireksa Nusasejati subsidiary of Sime Darby Plantation Bhd.	-	3396.00		487.79	
	<b>TOTAL</b>					<b>816.89</b>	
	<i>*Production data source from October 2017 to September 2018</i>						
1.7.4	Product categories		FFB, CPO, PK				
<b>1.8</b>	<b>Tonnage of Product</b>						
1.8.1	Past Annual Claim Certified Product		Last Year Projected Certified Volume (MT)		Last Year Actual Certified Volume (October 2017 to September 2018) (MT)		
	FFB Processed		127233		92476.46		
	CPO Production		29264		21704.37		

	Palm Kernel (PK) Production		5089		4435.02			
1.8.2	Product selling							
	Type of selling product	Actual selling product for for last year (October 2017 to September 2018) (MT)						
	CSPO sold as RSPO certified product				19612.78			
	CSPK sold as RSPO certified product				4144.62			
	CSPO sold under other scheme				-			
	CSPK sold under other scheme				-			
	CSPO sold as conventional				-			
	CSPK sold as conventional				-			
1.8.3	Estimate of Certified FFB Claim							
	<b>Name of Estate(s)</b>	<b>Total Area (Ha)</b>	<b>Planted Area (Ha)</b>	<b>FFB (tonnes/year)</b>	<b>Yield (tonnes/ha/year)</b>			
	Teluk Bakau Estate	4025.07	3453.19	36411	12.49			
	Nusa Perkasa Estate	5836.00	3778.11	42623	15.06			
	Nusa Lestari Estate	3456.74	3169.74	25873	11.87			
	<b>TOTAL</b>	<b>13317.81</b>	<b>10401.04</b>	<b>104907</b>	<b>13.23</b>			
	<i>*Projected FFB production for 12 months of certificate (December 2018 to November 2019)</i>							
1.8.4	Estimate of Certified Palm Product Claim							
	<b>Name of Mill</b>	<b>Capacity (tonnes/ hour)</b>	<b>FFB Processed (tonnes/year)</b>	<b>CPO</b>		<b>Palm Kernel</b>		<b>Supply Chain Module</b>
				<b>Out put (tonnes)</b>	<b>Extraction (%)</b>	<b>Out put (tonnes)</b>	<b>Extraction (%)</b>	
	Teluk Bakau POM	60	104907	23604	22.5	4721	4.5	IP
	<i>*Projected CSPO and CSPK production for 12 months of certificate (December 2018 to November 2019)</i>							
1.9	Other Certifications							
	ISO 9001:2008	-						
	ISO 14001: 2004	-						
	OHSAS 18001:2007	-						
	ISCC	-						
	Others	ISPO certificate with number MUTU-ISPO/078 on 05 April 2017 with validity until 04 April 2022						
1.10	Time Bound Plan							
1.10.1	Time Bound Plan for Other Management Units							
	<b>Management Unit</b>	<b>Supply Base</b>	<b>Time Bound Plan</b>	<b>HGU on Process</b>		<b>Location</b>	<b>Status</b>	
	<b>Mill</b>			<b>Time Bound Plan</b>	<b>Ha</b>			<b>Time Bound Plan</b>
	INDONESIA							
	Sekunyir.	2010	Sekunyir	2010		Seruyan and	Certified	

PT. Indotruba Tengah		Seruyan	2010			West Kotawaringin District – Central Kalimantan	Certified
Manggala. PT. Tunggal Mitra Plantations	2010	Manggala 1	2010			Rokan Hilir District – Riau	Certified
		Manggala 2	2010				Certified
		Manggala 3	2010				Certified
Bukit Ajong PT. Sime Indo Agro	2010	West	2010	1,652	2019	Sanggau District –West Kalimantan	Certified
		East	2010				-
		Sei Mawang	2018				
		East Plasma	2010				Certified
		West Plasma	2010				Certified
Teluk Siak. PT Aneka Inti Persada	2011	Teluk Siak	2011	421.31	2020	Pekanbaru, Siak District – Riau	Certified
		Pinang Sebatang	2011				Certified
		Aneka Persada	2011				Certified
Sungai Pinang. PT. Bina Sains Cemerlang	2012	Sungai Pinang	2012	308.25	2020	Musi Rawas District – South Sumatera	Certified
		Bukit Pinang	2012				Certified
Pemantang. PT. Teguh Sempurna	2011	Pemantang	2011			Seruyan and East Kotawaringin District – Central Kalimantan	Certified
		Kawan Batu	2011				Certified
		Hatan Tiring	2011				Certified
		Batang Garing	2011				Certified
Alur Dumai. PT Lahan Tani Sakti	2011	Alur Dumai	2011			Rokan Hilir District – Riau	Certified
Teluk Bakau. PT. Bhumireksa Nusa Sejati	2011	Teluk Bakau	2011			Indra Giri Hilir District – Riau	Certified
		Nusa Perkasa	2011				Certified
		Nusa Lestari	2011				Certified
Mandah PT. Bhumireksa Nusa Sejati	2014	Mandah	2011			Indra Giri Hilir District – Riau	Certified
		Rotan Semelur	2011				Certified
Angsana Mini*) PT Sajang Heulang	2011	KKPA-1 PT.SHE	2013			Tanah Bumbu District – South Kalimantan	Certified
		Pantai Bonati	2011				Certified
Angsana. PT Ladangrumpun Suburabadi	2011	Angsana	2011			Tanah Bumbu District – South Kalimantan	Certified
		Gunung Sari	2011				Certified
		KKPA-4 PT.SHE	2013				Certified
Mustika. PT Sajang Heulang	2013	Mustika				Tanah Bumbu District – South Kalimantan	Certified
		KKPA-2 PT.SHE	2013				Certified
		KKPA-3 PT.SHE	2013				Certified
		KKPA-5 PT.SHE	2013				Certified
		SAP 1	2020				ST-2
Gunung Aru.	2011	Gunung Aru	2011	765	2020	Kotabaru District	Certified

PT Bersama Sejahtera Sakti		Gunung Kemasan	2011			– South Kalimantan	Certified
		Laut Timur	2011				Certified
		Pantai Timur	2011				Certified
		KKPA BSS	2020				-
Bebunga. PT. Langgeng Muaramakmur	2011	Sungai Cengal	2011	1,162	2020	Kotabaru District – South Kalimantan	Certified
		Bebunga	2011				Certified
		KKPA Sungai Cengal	2014				Certified
Sukamandang PT Kridatama Lancar	2011	Sukamandang	2011			Seruyan and East Kotawaringin District – Central Kalimantan	Certified
		Sapiri	2011				Certified
		Barasdanum	2011				Certified
		Kuala Kuayan	2011				Certified
Pondok Labu. PT Paripurna Swakarsa	2012	Binturung	2012	1,120	2020	Kotabaru District – South Kalimantan	Certified
		Pondok Labu	2012				Certified
		Rampa	2012				Certified
		Sesulung	2012				Certified
Selabak *) PT Swadaya Andhika	2012	Selabak	2012	63	2020	Kotabaru District – South Kalimantan	Certified
		Randi	2012				Certified
		Sangkoh	2012				Certified
		Lanting	2012				Certified
Rantau. PT Laguna Mandiri	2012	Rantau	2012			Kotabaru District – South Kalimantan	Certified
		Matalok	2012				Certified
Betung. PT Laguna Mandiri	2014	Betung	2012			Kotabaru District – South Kalimantan	Certified
		Sekayu	2012				Certified
Ungkaya. PT Tamaco Graha Krida	2012	Ungkaya	2012			Morowali District – Sulawesi Tengah	Certified
		Plasma TGK	2015				Certified
Ladang Panjang. PT Bahari Gembira Ria	2012	Ladang Panjang	2012	1,639	2020	Muaro Jambi District - Jambi	Certified
		Plasma BGR	2020				-
Rantau Panjang. PT Guthrie Pecconina Indonesia	2012	Rantau Panjang	2012	4,133	2020	Musi Banyuasin District – South Sumatera	Certified
		Bumi Ayu	2012				Certified
		Karang Ringin	2012				Certified
		Napal	2012				Certified
		Mangun Jaya	2012				Certified
		Sungai Jernih Estate and GPI KKPA	2017				-
Blang Simpo. PT Perkasa Subur Sakti	2013	Tamiang (PT PPP)	2013	1,286	2020	Aceh Tamiang and East Aceh District – Nanggroe Aceh Darussalam	Certified
		Batang Ara (PT PSK)	2013				Certified
		Blang Simpo-01	2013				Certified
		Blang Simpo-02	2013				Certified

MAS. PT Mitra Austral Sejahtera	2020	MAS 1	2018			Sanggau District – West Kalimantan	-
		MAS 1	2018				-
		MAS 1	2018				-
		Plasma MAS	2020				-
Lembiru. PT Sandika Nata Palma	2014	Lembiru	2014			Ketapang District – West Kalimantan	Certified
		Awatan	2014				Certified
		Karya Palma	2018				-
		KKPA SNP	2020				-
		Pelanjau (PT BAL)	2018				-
		Sungai Putih (PT BAL)	2018				-
		Baturus (PT BAL)	2018				-
		KKPA BAL	2020				-
<b>MALAYSIA</b>							
Sg Dingin SOU 1	2010	Bukit Hijau	2010			Kerangan, Kedah	Certified
		Padang Buluh	2010				Certified
		Bukit Selangor	2010				Certified
		Sg Dingin	2010				Certified
		Jentayu	2010				Certified
		Anak Kuli	2010				Certified
		Somme	2010				Certified
Chersonese SOU 2	2011	Chersonese	2011			Kuala Kurau, Perak	Certified
		Holyrood	2011				Certified
		Kalumpong	2011				Certified
		Tali Ayer	2011				Certified
Elphil SOU 3	2011	Kinta Kellas	2011			Sg Siput, Perak	Certified
		Elphil	2011				Certified
		Kamuning	2011				Certified
Flemington SOU 4	2011	Flemington	2011			Teluk Intan, Perak	Certified
		Bagan Datoh	2011				Certified
		Sabak Bernam	2011				Certified
		Sg Samak	2011				Certified
Seri Intan SOU 5	2011	Seri Intan (Main Division)	2011			Teluk Intan, Perak	Certified
		Sabrang	2011				Certified
		Sg Wangi	2011				Certified
		Sogomana (Main Division)	2011				Certified
Selaba SOU 5	2011	Seri Intan (Selaba Division)	2011			Teluk Intan, Perak	Certified
		Sogomana (Cashwood & Sg Beruas Division)	2011				Certified
		Bikam	2011				Certified
		Clumy	2011				Certified
Tennamaram SOU 6	2011	Tennamaram	2011			Bestari Jaya, Selangor	Certified
		Sungei Buloh	2011				Certified
		Bkt Talang	2011				Certified
Bkt Kerayong	2011	Bkt Kerayong	2011			Kapar, Selangor	Certified

SOU 7		Bkt Cherakah	2011				Certified
		Bkt Rajah	2011				Certified
		Bkt Lagong	2011				Certified
		Elmina	2011				Certified
East SOU 8	2010	East	2010			Carey Island, Selangor	Certified
		Dusun Durian	2010				Certified
		Sepang	2010				Certified
West - SOU 9	2010	West	2010			Carey Island, Selangor	Certified
Bukit Putri - SOU 10	2011	Bukit Putri	2011			Raub, Pahang	Certified
Kerdu SOU 11	2011	Kerdu	2011			Temerloh, Pahang	Certified
		Jentar	2011				Certified
		Mentakab	2011				Certified
		Sg Mai	2011				Certified
		Chenor	2011				Certified
Jabor - SOU 12	2011	Jabor	2011			Kuantan, Pahang	Certified
Labu SOU 13	2011	Labu	2011			Nilai, Negeri Sembilan	Certified
		New Labu	2011				Certified
		Bradwall	2011				Certified
Tanah Merah SOU 14	2010	Tanah Merah	2010			Port Dickson, Negeri Sembilan	Certified
		Sua Betong	2010				Certified
		Bukit Pelandok	2010				Certified
Sua Betong SOU 15	2014	Salak	2014			Port Dickson, Negeri Sembilan	Certified
		Sengkang	2014				Certified
		Siliau	2014				Certified
		PD Lukut	2014				Certified
		Sungai Baru	2014				Certified
		Tampin Linggi	2014				Certified
Kok Foh SOU 16	2011	Bukit Pilah	2011			Bahau, Negeri Sembilan	Certified
		Kok Foh	2011				Certified
		Muar River	2011				Certified
		St. Helier	2011				Certified
		Pertang	2011				Certified
		Sg Gemas	2011				Certified
		Sg Sebalang	2011				Certified
		Sg Senarut	2011				Certified
Kempas SOU 17	2010	Kempas	2010			Jasin, Melaka	Certified
		Kemuning	2010				Certified
		Tangkah	2010				Certified
Diamond Jubilee SOU 18	2011	Bukit Asahan	2011			Jasin, Melaka	Certified
		Diamond Jubilee	2011				Certified
		Serkam	2011				Certified
Pagoh SOU 19	2014	Pagoh	2014			Muar, Johor	Certified
		Lanadron	2014				Certified

			Pengkalan Bukit	2014				Certified
			Welch	2014				Certified
Chaah SOU 20	2010		North Labis	2010			Chaah, Johor	Certified
			Cha'ah	2010				Certified
			Sg Simpang Kiri	2010				Certified
Gunung Mas SOU 21	2010		Gunung Mas	2010			Kluang, Johor	Certified
			Kempas Klebang	2010				Certified
			Bukit Paloh	2010				Certified
			Yong Peng	2010				Certified
Bukit Benut SOU 22	2011		Bukit Benut	2011			Kluang, Johor	Certified
			CEP Niyor	2011				Certified
			Lambak / Elaeis	2011				Certified
Ulu Remis SOU 23	2011		Pekan	2011			Layang-layang, Johor	Certified
			Sembrong	2011				Certified
			Tun Dr. Ismail	2011				Certified
			Ulu Remis	2011				Certified
			Bukit Badak	2011				Certified
			Cenas	2011				Certified
Hadapan SOU 24	2011		CEP Rengam	2011			Layang-layang, Johor	Certified
			Kulai	2011				Certified
			Layang	2011				Certified
			Seri Pulai	2011				Certified
Sandakan Bay SOU 26	2008		Tun Tan Siew Sin	2008			Sandakan, Sabah	Certified
			Tunku	2008				Certified
			Tigowis	2008				Certified
			Sentosa	2008				Certified
			Saguliud	2008				Certified
Melalap SOU 27	2011		Melalap	2011			Tenom, Sabah	Certified
			Sapong	2011				Certified
Binuang SOU 28	2009		Tingkayu	2009			Kunak, Sabah	Certified
			Sungang	2009				Certified
			Jelata Bumi	2009				Certified
			Binuang	2009				Certified
Giram SOU 29	2009		Mostyn	2009			Kunak, Sabah	Certified
			Giram	2009				Certified
Merotai SOU 30	2009		Imam	2009			Tawau, Sabah	Certified
			Merotai	2009				Certified
			Table	2009				Certified
			Tiger	2009				Certified
Lavang SOU 31	2011		Belian	2011			Bintulu, Serawak	Certified
			Kelida	2011				Certified
			Lavang	2011				Certified
			Lavang (SE)	2011				Certified
			Rasan	2011				Certified
Rajawali	2011		Rajawali	2011			Bintulu, Serawak	Certified

	SOU 32		Samudera	2011				Certified	
			Semarak	2011				Certified	
			Bayu	2011				Certified	
	Derawan SOU 33	2011		Takau	2011			Bintulu, Serawak	Certified
				Damai	2011				Certified
				Derawan	2011				Certified
				Sahua	2011				Certified
	Pekaka SOU 34	2011		Chartquest	2011			Bintulu, Serawak	Certified
				Dulang	2011				Certified
				Peroh	2011				Certified
				Pekaka	2011				Certified
				Ruai	2011				Certified
	<b>LIBERIA</b>								
	Grand Cape Mount	2017		Matambo (2,500 Ha)	2017			Grand Cape Mount, Liberia	NPP May 2011
				Grand Cape Mount (2,372 Ha)	2017				NPP May 2011
Zodua (264)				2017	NPP May 2011				
Bomi (3,128 Ha)				2017	Bomi, Liberia			NPP May 2011	
Lofa (2,254 Ha)				2017				NPP May 2011	
<b>P &amp; G (New Britain Palm Oil)</b>									
Poliamba	2012		Kara	2012			Keviang, New Ireland Province, P&G	Certified	
			West Coast	2012				Certified	
			Nalik	2012				Certified	
			Noatsi	2012				Certified	
			Madak	2012				Certified	
			North (Smallholders)	2012				Certified	
			South (Smallholders)	2012				Certified	
			West (Smallholders)	2012				Certified	
Tetere	2011		Tetere	2011			Gudaicanal, Slomon Island	Certified	
			Ngalimbiu	2011				Certified	
			Mbalisuna	2011				Certified	
			West Zone (Smallholders)	2011				Certified	
			Central Zone (Smallholders)	2011				Certified	
			MBA East	2011				Certified	



			(Smallholders)				
			MBA West (Smallholders)	2011			Certified
	Sangara, Sambiripa & Mamba	2013	Sangara	2013		Higaturu, Popondetta, Oro, P&G	Certified
			Sumberipa	2013			Certified
			Ambogo	2013			Certified
			Embi	2013			Certified
			Mamba	2013			Certified
			Sorovi (smallholders)	2013			Certified
			Igora (smallholders)	2013			Certified
			Saiho (smallholders)	2013			Certified
			Aeka (smallholders)	2013			Certified
			Ilimo (smallholders)	2013			Certified
	Gusap	2010	Dumpu	2010		Madang, P&G	Certified
			Surinam	2010			Certified
			Jephcott	2010			Certified
			Gusap	2010			Certified
			Paddock	2010			Certified
			Ngaru	2010			Certified
			Madang VOP (smallholders)	2010			Certified
			Morobe VOP (smallholders)	2010			Certified
	Hagita	2013	Giligili	2013		Milne Bay, P&G	Certified
			Hagita	2013			Certified
			Waigani	2013			Certified
			Sagarai	2013			Certified
			Padipadi	2013			Certified
			Mariawatte	2013			Certified
			East Gurney	2013			Certified
			West Gurney	2013			Certified
			East Sagarai	2013			Certified
			West Sagarai	2013			Certified
	•Mosa •Kumbango •Kapiura •Namumdo	2008	Bebere	2008		West New Britain	Certified
			Kumbango	2008			Certified
			Togulo	2008			Certified
			Dami	2008			Certified

•Waraston	Waisisi	2008	Certified
	Kautu	2008	Certified
	Karaisu	2008	Certified
	Moroa	2008	Certified
	Bilomi	2008	Certified
	Loata	2008	Certified
	Haella	2008	Certified
	Garu	2008	Certified
	Daliavu	2008	Certified
	Sapuri	2008	Certified
	Malilimi	2008	Certified
	Rigula	2008	Certified
	Nomundo	2008	Certified
	Navarai / Karato ME	2008	Certified
	Volupai . Lotomgam / Natupi / Goruru	2008	Certified
	Lolokoru	2008	Certified
	Silovoti	2008	Certified
	LSS Hoskin (1,877 Smallholders)	2008	Certified
	VOP East (1,815 Smallholders)	2008	Certified
	VOP Central (1,958 Smallholders)	2008	Certified
VOP West (1,277 Smallholders)Kaulong / Akamie / Pusiki / Repamira / Sakapei / KDC ME (21 large smallholders)	2008	Certified	
LSS Kapiura (847 Smallholders)	2008	Certified	
VOP Kapiura (551 Smallholders)	2008	Certified	

Sime Darby has achieved 34 management units in Malaysia, 24 management units in Indonesia, 10 management units in Liberia that RSPO certified. Total management unit in Sime Darby Plantation Bhd are 34 in Malaysia, 25 in Indonesia and 10 in Liberia. In the year of 2017 there are two Mill that are no longer operating, and for the supplying base (Estate) is diverted to a mill that is still operating and has been certified RSPO.

A new mill will be set up in Liberia and planned for commissioning in February 2016. Preparation to undergo the RSPO Certification process is in progress and Sime Darby Plantation Bhd targets to undergo RSPO Certification by end 2017. RSPO NPP process has been completed in 2011. Internal assessment against the draft Liberia NI has been completed and closing of gaps is in progress.

There was change of the Time Bound Plan under Sime Darby on 15 April 2016 cause the Sime Darby postpone the others certification process. Change of the Time Bound Plan explanation: PT Mitra Austral Sejahtera. There are social issue still

	<p>unresolved from the Serikat Petani Kelapa Sawit (SPKS) Sanggau, however the improvement are in progress. Sime Darby has informed the Time Bound Plan progress, MUTU has consider that Sime Darby still comply with the RSPO requirement for partial certification.</p>
<b>1.10.2</b>	<b>Progress of Associated Smallholders and Outgrowers for Certifiable Standard</b>
	PT Bhumireksa Nusasejati does not have a cooperation scheme with smallholders and Outgrower

<b>2.0 ASSESSMENT PROCESS</b>	
<b>2.1 Assessment Team</b>	
<b>ASA-1.2</b>	<ol style="list-style-type: none"> <li><b>Muhammad Rinaldi (Lead Auditor).</b> Indonesian citizen, Diploma of Oil Palm Plantation. He has experience 4 years working as Assistant Agronomy since 2007. He has attended training RSPO Lead Auditor, SCCS training, training of Auditor ISPO, training of Lead Auditor ISO 9001-2008, training of ISO 14000, SA 8000 training, training of HCV identification, training of OHS system management, training of potential and conflict resolution. Experienced in auditing in relevant scheme (ISPO) since 2014 with the aspects of land legality, environmental, social, occupational health and safety, Best Management Practices, Conservation and worker welfare. During the assessment he assigned to verify legal, land dispute and SCCS.</li> <li><b>Rizliani Aprianita Hsb (Auditor).</b> Indonesian Citizen. Bachelor and Magister of Agribusiness, Faculty of Agriculture. She had followed training such as RSPO Lead Auditor Training, SCCS training, lead Auditor ISO 9001;2008, ISO 14001;2004, SA 8000 training, ISPO Auditor training and followed several IHT related to environment, BMP etc. She has been involved in several audit activities related to sustainable palm oil certification since 2015 covering social aspect, health and safety aspect, worker welfare and waste management aspect. During the assessment she assigned to verified environmental management, GHG, HCV and social aspect.</li> <li><b>Dwi Haryati (Auditor).</b> Indonesian citizens. Bachelor of Agriculture Department of Agriculture – Program study : Agronomy. She has experienced on Palm Oil Plantation as Sustainability staff. Training have been followed include: Training Auditor ISPO, Quality Management ISO 9001-2008, ISO 14001 Environmental Management, ISO 17021 &amp; 17065, SA 8000 training, HCV, General Health Safety Expert, Health Safety Management System, Workshop GHG by the ISPO Commission, IHT Palm Oil Mill Processing, Awareness RSPO, IHT Best Practice in Peat Management, Mapping Potential and Conflict Resolution in Production Forest. RSPO audit experience since March 2015 and ISPO since May 2014. During this assessment she was observed and audit on Transparency, Occupational Health and Safety, and Worker Welfare.</li> <li><b>Haikal Ramadhan Kharismansyah (Auditor Trainee).</b> Indonesian citizen, Bachelor of Agriculture department of plant and pest disease (Agrotechnology). He has 3 years experience as an Agronomy Staff in private oil palm plantation in Indonesia. Training which had attended including Basic Management Development Program Agronomy, Integrated Urban Pest Management, Integrated Pest Management, ISO 9001 : 2015, Auditor ISPO, RSPO awareness, ISO 22000 awareness and SA 8000 training. Did some audit ISPO scheme with aspects Best management practices. During this audit, he assigned to best management practice and long-term plan.</li> </ol>
<b>2.2 Assessment Methodology, Assessment Process and Locations of Assessment</b>	
<b>2.2.1</b>	<b>Figure of person days to implement assessment</b>
<b>ASA-1.2</b>	Number of auditors : 4 auditor Number of days for <b>ASA-1.2</b> at site : 5 days Number of working days for <b>ASA-1.2</b> at site : 20 Working days
<b>2.2.2</b>	<b>Assessment Process</b>
<b>ASA-1.2</b>	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT Bhumireksa Nusasejati to the requirements of Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF, July 2016 (Endorsed by the RSPO Board of Governors meeting on 30th September 2016) and RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module D for CPO Mill).</p> <p>The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or</p>

substances from required documents; (2) interview, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site.

Some opportunities for improvement of the results **ASA-1.2** delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (**ASA-1.3**).

Improvement of findings from Re-Certification assesment findings were observed by auditors at this **ASA-1.2** assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of **ASA-1.2**.

The assessment program please find Appendix 2

**2.2.3 Location of Assessment**

**ASA-1.2** Number of units in this certification activity is 3 estates, which supply the raw material (FFB) to Teluk Bakau palm oil mill. In conducting the assessment, the team of auditors used the 0.8√y formula to determine the management units sampling to be focused on and also considered the issues raised by stakeholder. Based on this formula, the team of auditors determined that the sampling locations are 1 palm oil mill (Teluk Bakau POM) and 3 estates (Teluk Bakau Estate, Nusa Perkasa Estate and Nusa Lestari Estate)

**Nusa Lestari Estate**

- **HGU Pole No. 110 (Block F05), No. 108 (Block G07), No. 112 (Block F05), No. 100 (Block G11/12).** Observation of aspect of land demarcation and maintenance of HGU pole.
- **Block F06/07. Replanting.** Observation related implementation of mechanical replanting and application of zero burning policy.
- **Subsidence Stake, Division IV Block F015.** Observation of peat subsidence measurements by using a subsidence stake.
- **Housing. Division III.** observations and interviews related to housing feasibility, availability of clean water, and waste management.
- **Landfill.** observations related to domestic waste management.
- **BSS dan BMS House. (1 worker).** Observation and interviews regarding procedures, mixing materials, washing tools, facilities and PPE storage.
- **Fertiizer warehouse. (1 Worker).** observations regarding fertilizer storage, OHS symbols, Hazardous and Toxic Material symbols, and handling of chemicals.
- **Genset house. (1 Worker).** Observation and interviews with officers regarding working hours and wages. Management on hazardous and toxic waste.
- **Workshop. (1 Worker)** Observation and interview related operator license, training, and handling on hazardous and toxic material.

**Nusa Perkasa Estate**

- **Block C06 Divisi IV. Harvesting. (2 Harvester)** Observation and interview related criteria of FFB, remuneration, PPE, work responsibilities, and worker welfare.
- **Block D07 Divisi III. Subsidence Pole.** Observation on peat management.
- **Block E12 Divisi IV. Interview with manuring worker. (4 worker)** Interview realated handling on agrochemical, medical check-up, dosage use, and menstrual leave policy.
- **Block D01 Divisi II. Pest Control (Spraying). (4 Pesticide applicator)** Observation and interview related control of *Oryctes* using insecticides.
- **Block E11.** Observation related to fire control tower and Observation related to HCV area of Forest Conservation Area
- **Block C03.** Observation related to boundary mark No. 5.
- **Hazardous Waste Storage.** Observation and interviews related to hazardous waste management, OHS implementation, employment and complaint mechanism.
- **Workshop.** Observation and interviews related to the competence of workers, implementation OHS (including medical check up), employment, waste management and complaint mechanism.

- **Chemical storage.** Observation and interviews related to chemical and pesticide storage area, hazardous waste management, employment, and implementation OHS.
- **Fertilizer storage.** Observation and interviews related to hazardous management, waste management and implementation OHS.
- **Clinic.** Observation and interview with paramedic about first aid mechanism, medical waste management and work accident record monitoring.
- **Generator house.** Observation on safety condition.
- **Block Spraying System (BSS).** Observation the conditions body shower room and PPE handling.
- **Daycare (Division 3/4).** Observation related to employee welfare facilities, wages, employment and domestic waste management.
- **Housing complex (Division 3/4).** Observation related to employee welfare facilities and domestic waste management.

#### Teluk Bakau Estate

- **Block D09. Replanting.** Observation related implementation of mechanical replanting and application of zero burning policy.
- **Block D08. Water level and piezometer.** Observation and interview related peat management.
- **Block E04. Circle and Path Spraying. (5 Pesticide applicator).** Observation and interview related to handling pesticides, medical check-up, and Block Spraying System.
- **Nursery.** Observation and interview related seed selection, chemical storage warehouse and PPE.
- **KM00.** Observation and interview with Watergate operator related to water management
- **Block D01.** Observation related to HGU boundary mark No. BPN 05 & BPN 06.
- **Hazardous Waste Storage.** Observation and interviews related to hazardous waste management, OHS implementation, employment and complaint mechanism.
- **Fertilizer storage.** Observation and interviews related to hazardous management, waste management and implementation OHS.
- **Clinic.** Observation and interview with paramedic about first aid mechanism, medical waste management and work accident record monitoring.
- **Housing complex.** Observation related to employee welfare facilities and domestic waste management.
- **Chemical storage.** Observation and interviews related to chemical and pesticide storage area, hazardous waste management, employment, and implementation OHS.

#### Teluk Bakau Factory

- **Sterilizer.(1 Worker)** Observation and interview related daily work, PPE, worker welfare, and labour union.
- **Kernel. (1 Worker)** Observation and interview related daily work, emergency response awareness, and housing.
- **Boiler. (1 Worker)** Observation and interview related operator license, medical check up, and PPE.
- **EBA.** Observation related management on Empty Fruit Bunch.
- **Weigh Bridge Station.** Observations related to the acceptance and separation of FFB entering the factory (1 person)
- **Logistics.** Observations and interview related to product production and shipping documentation (1 person)
- **PK & CPO Storage.** Observation related to stock of PK & CPO
- **WWTP.** Observation and interview with operator WWTP related to mill effluent management.
- **Material Warehouse.** Observation and interview related to material that stored in the warehouse and interview related to employment and OHS aspect.
- **Fuel and Lubricant Storage.** Observation related to implementation of OHS
- **Chemical storage.** Observation and interviews related to chemical and pesticide storage area, hazardous waste management, employment, and implementation OHS.
- **Workshop.** Observation and interviews related to the competence of workers, implementation OHS (including medical check up), employment, waste management and complaint mechanism.
- **WTP.** Observations and interviews related to water management, recording of water use, health checks, PPE and waste management.
- **Hazardous Waste Storage.** Observation and interviews related to hazardous waste management, OHS implementation, employment and complaint mechanism.

**Stakeholder consultation with relevant agencies by phone:**

- Secretary of Plantation Agency of Indragiri Hilir Regency
- Labour and Transmigration Agency of Indragiri Hilir Regency
- Environmental Agency of Indragiri Hilir Regency

**Local communities surrounding the plantation visited:**

- Village of Pelangiran, Sub-District of Pelangiran
- Village of Makmur Jaya, Sub-District of Kateman

<b>2.3 Stakeholder Consultation and Stakeholders Contacted</b>	
<b>2.3.1</b>	<b>Summary of stakeholder consultation process.</b>
<b>ASA-1.2</b>	<p>The public consultation with stakeholders to PT Bhumireksa Nusasejati done through:</p> <ul style="list-style-type: none"> <li>• Conduct a public announcement on the CB website (<a href="http://www.mutucertification.com">www.mutucertification.com</a>) on 24 September 2018.</li> <li>• Conduct consultation via phone with stakeholders (Plantation Agency, Labour Agency, Enviroment Agency, Indragiri Hilir District, Province of Riau) on 10 October 2018</li> <li>• Conduct consultations via email questionnaire to NGOs (WALHI, Sawit Watch, and WWF) on 02 October 2018</li> <li>• Conducting visits and direct interviews with stakeholders (Pelangiran and Makmur Jaya Village) on 09-11 October 2018.</li> <li>• Conducting Interviews with the local contractor, Gender Committee, Labor Union on 09-11 October 2018.</li> </ul>
<b>2.3.2</b>	<b>Stakeholder contacted</b>
	<i>Please find appendix 1</i>
<b>2.4 Determining Next Assessment</b>	
	The next visit ( <b>ASA-1.3</b> ) planned to be conducted in period of August to November 2019

**3.0 ASSESSMENT FINDINGS**

**3.1 Summary of Assessment Report of the RSPO Certification**

Mutuagung Lestari has conducted an assessment of Teluk Bakau Factory – PT Bhumireksa Nusasejati subsidiary of Sime Darby Plantation Sdn. Bhd. operation consisting of one mill and three estates.

During the assessment, there were four (4) nonconformity were assigned against Major Compliance and eight (8) opportunities for improvement were identified.

Further explanation of the non-conformities raised and corrective actions taken by the company are provided in section 3.5. The company has already prepared and implemented the corrective action that had been reviewed and accepted by Auditor in form of documentation evidence e.g. (document record). Those corrective action taken that consist of one (1) Major non-conformity had been closed out shall be verified during next assessment.

MUTUAGUNG LESTARI found that Teluk Bakau Factory – PT Bhumireksa Nusasejati subsidiary of Sime Darby Plantation Sdn. Bhd COMPLIED with the requirements of Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF, July 2016 (Endorsed by the RSPO Board of Governors meeting on 30th September 2016) and RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014, revised on 14 June 2017 (Module D for CPO Mill).

Therefore MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is continued.

Ref Std.	VERIFICATION RESULT of MUTU-Certification	
<b>PRINCIPLE #1 COMMITMENT TO TRANSPARENCY</b>		
<b>1.1</b>	<b>Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.</b>	
<b>1.1.1 &amp; 1.1.2</b>	<p>The company has procedures for providing information in the Information Request SOP (Document No. RSPO / 1.1 / PI, June 1, 2014). The procedure explains that a letter requesting information that goes into the unit is addressed then the answer is made and the answer is made by the operational unit manager. If in making an answer to an information request it is necessary to approve the Head of Department and / or other Department related to the contents of the request for information, then prior approval is requested from the Head of Department and / or other department. Answer to request for information that has been approved by the relevant department head and or department will be returned to the operational unit. The Operations Unit Management will send an answer letter to the parties in accordance with the contents of an adequate request and incoming mail documents stored in GM office. The requested information will be a maximum response for one week (or six working days).</p> <p>From October 2017 to July 2018 there were 17 letter of requesting information. All letters were request for assistance that had been responded to. Example of an entry letter dated July 3, 2018 from the <i>Danramil</i> Pelangiran No letter B / 02 / VI / 2018 concerning a request for a pump machine and has been responded to on July 9, 2018 by letter No. 11 / SK-TBP / BNS / III / 2018 in the form of pumping machine assistance.</p> <p>Based on document reviews and management interviews, record information requests can be seen in incoming and outgoing mail documents. All incoming letters, including requests for information, are recorded in the form of communication / notebooks that list requests and responses from stakeholders. The company was respond these requested and the documentation of response was showed.</p>	
	<b>Status: Comply</b>	



**1.2 Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.**

**1.2.1**  
List of document which are available for stakeholder were remain the same with the previous audit assessment, as follows: Legal, Environment, Social, Safety, Best management practices and continuous improvement documents. Besides that, the documents that cannot be accessed by publicly listed companies include: financial data such as expenses and revenues, as well as details relating to customers and or suppliers and data related to individual privacy.  
Based on interviews with Village head and community (Pelangiran and Makmur Jaya Village), known that the villagers understand how to obtain information from the company. The company maintains records of request for information and responses under “Logbook Komunikasi” on each unit management. Based on document verification, requests for information from stakeholders have been followed up and responded by the company.

**Status: Comply**

**1.3 Growers and millers commit to ethical conduct in all business operations and transactions.**

**1.3.1**  
Company has a policy of standard business of conduct that explains fair business practices, prohibition of corruption, bribery, fraud in the use of funds and resources as well as the disclosure of information in accordance with prevailing regulations. The policy contained in the Company Policy no. 440/HRM-COC/07 on 24 May 2007. The policy is available in Bahasa. The policy is communicated to workers in accordance with the results of interviews with them. Based on interview with contractor of FFB transport, it is known that company has been disseminated the policy of standard business of conduct.  
Based on interviews with estate workers and mill, it can explain the meaning of Code of Conduct policies that the company has with language that can be accepted by the auditor. Interview with contractor of FFB transport, it is known that company has been disseminated the policy of standard business of conduct. In this regard, the company has the opportunity to ensure effectiveness of the socialization of the code of integrity and ethical behaviour in all operations and transactions.

**Status: Comply**

**PRINCIPLE #2 COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS**

**2.1 There is compliance with all applicable local, national and ratified international laws and regulations.**

**2.1.1**  
Certificate holder consistently applies legislation relating to plantation and palm oil mill. The last update of laws and regulations list was conducted on August, 2018. The Certification Unit has shown compliance with laws and regulations, for example :

**Legality**

The Company shows the Report of Development on Plantation Business Activities Semester 1 of 2018 which has explained the operational area and has been reported to the National Land Agency of Indragiri Hilir District on August 27, 2018. This is in accordance with regulation of minister of spatial planning No. 7 on 2017

**OHS and Employment**

- The company shows the recapitulation of machine production licenses for all Mill stations. In the recapitulation it is stated that the period of inspection and testing of machines production is carried out every 2 years.
- Submission report of P2K3 for PT BNS unit NLE and NPE period reports quarterly to Manpower Office of Indragiri Hilir Regency which was sent on September 19, 2018.
- Submission report of WLTK for PT BNS unit TBF and TBE that have been sent to the Manpower Office of Indragiri Hilir Regency and have been received and the obligation to re-register November 14, 2018.

Fulfilment related to OHS license compliance such as:

- Electrical Technician No.reg.001109 / TK3-LIST / V / 2017.
- Class III welders No. No. S.391 / JL. PNK3 / XII / 2015. Be appointed on December 1, 2015.
- K3 license for Class 1 boiler operator. No. license.8141.OPK3-PUBT-B.I / IV / 2015. Valid until April 23, 2020.
- K3 License for Class 1 boiler operator. No. license.8140.OPK3-PUBT-B.I / IV / 2015. Valid until April 23, 2020.

**Best Management Practices**

- Reducing the use of WHO 1A and 1B pesticides and not using *paraquat*
- Using registered pesticides that are permitted by the government in accordance with regulations

**Environment Aspect**

## 1. EIA Document :

- EIA documents approved by the Ministry of Agriculture, Agribusiness Board with endorsement number 07 / BA.5.3 / V / 1996 dated May 17, 1996. EIA documents include the Environmental Management Plan (RKL) and Environment monitoring plan (RPL) approved by the Ministry of Agriculture with the number 093 / RKL - RPL, dated May 14, 1996.
  - Revision of the Environmental Management Plan (RKL) and Environmental Monitoring Plan (RPL) to the total area of the study amounted to 25,662 ha and a capacity of Factory to 60 tons / hour which has been approved by the Head of Department of the Environment, Energy and Mining District Indragiri Hilir No. 11 / IH / RKL-RPL / V / 2006 dated May 3, 2006.
2. CH has a permit to dispose of waste water to a water body PT BNS No. 503/DPMPPTSP-IPAL/2 dated March 15, 2018 which is valid for up to 5 years.
3. Temporary Storage Permit for hazardous waste, as follows:
- Temporary hazardous waste storage permit for PT BNS (Teluk Bakau Factory) with No, 503/BP2MPD-IPSL.B3/XII / 2014/06 dated December 9, 2014 and is valid for 5 years.

Temporary hazardous waste storage permit PT BNS (5 Estates) No.503/DPMPPTSP-IPSL.B3/2 dated March 15 2018 and is valid for 5 years.

**Legal Aspect**

The company has complied with legality regulation, including:

- Has had an HGU with the Decree of Agraria Minister with number 70 / HGU / BPN / 95 with an area of 25,662 Ha and HGB certificate No. 1 & 2 on 2001 with an area of 21.99 Ha.
- Has had a Plantation Business Registration Letter Number: HK.350 / 184 / Bun.5 / III / 2001 on behalf of PT Bhumireksa Nusasejati dated March 16, 2001 for an area of 25,662 Ha

**Non-conformance No. 2018.01**

1. Based on document review of the hazardous waste handling documents (logbook, manifest and minutes of submission / transportation of hazardous waste) and interviews with management, it is known that hazardous waste has been stored for more than 365 days in temporary hazardous waste shelter. The last hazardous waste was transported on July 25, 2017 by hazardous waste transporters. The company has shown a Work Agreement, but has not been signed by PT BNS Management. So that there is no hazardous waste transportation activity by hazardous waste transporters.

This is not in accordance with PP 101 of 2014 which states that the storage of hazardous waste is the longest:

- 180 days after hazardous Waste is produced, for hazardous Waste produced less than 50 kg per day for hazardous Waste category 1
  - 365 (three hundred sixty five) days since hazardous Waste is produced, for hazardous Waste produced less than 50 kg per day for Category 2 hazardous Waste from non-specific sources and general specific sources;
2. Based on document review and interviews with the management unit it is known:
- a. Lift & Transport Operators (3 TBF crane operators, 1 NLE excavator operator, 1 NPE excavator operator) have SIO Lift and Transport Aircraft, but have expired in 2015. This is not in accordance with Permenakertrans No. 09 of 2010
  - b. The SIO boiler operator has expired on March 16, 2016. This is not in accordance with Permenaker No. 01 of 1988.

Regarding the above, the company shows the following documentation:

- Letter No. 132 / BNS-TBF / VII / 2017 dated July 15, 2017 from the Factory Manager of Teluk Bakau addressed to the Sumatra Regional HRM Selatan / Riau Selatan / Jambi regarding the SIO Extension of Heavy Equipment Operator and Boiler Operator.
- Letter from the Estate Manager NLE to HRM Minamas Plantations on April 9, 2018 regarding the Extension of SIO Excavator Operators.
- Letter from the Estate Manager NPE to HRM Minamas Plantations on October 9, 2018 regarding the Extension of SIO Excavator Operators.

However, there is still a need for evidence of follow-up to the realization of training to ensure operators have the competence in accordance with the type of work and fulfilment of applicable regulations.

**Non-conformance No. 2018.01**

**2.1.2; 2.1.3 and 2.1.4**

To ensure compliance to regulations, company has Policy 724/TQEM-SPMS/09. This document explaining personnel who have responsibility to update the regulation and law, identification and inventory, evaluation and monitoring Information of regulation from national, provincial and district regulatory bodies, and renewal of any changes to prevailing laws and regulations and monitoring of expired regulations/licenses.

A list of regulatory identifications ranging from Laws, Government Regulations, Presidential Decrees, Ministerial Regulations, Ministerial Decrees, Regional Regulations, and the ratification of the ILO. Internal audits have been conducted continuously and are documented and reviewed in the management review activities conducted August, 29 2018.

<b>Major 2.1.1</b>	<b>Status: Non-conformance No. 2018.01 with major category</b>
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**2.2**  
**The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights.**

**2.2.1**  
 The CH has had documents showing legal ownership in form of Land Use Right (HGU). Total land use title area of PT Bhumireksa Nusasejati is 25,684 Ha, however for this scope is only consist of 1 Mill (Teluk Bakau factory) and 3 supply bases (Teluk Bakau Estate, Nusa Lestari Estate and Nusa Perkasa Estate) with total managed area is 13,317.81 Ha. The actual legal use of the land is available in this report (basic info).

Progress expenditure enclave areas of concession: until the time of the ASA-1.2 audit assessment the newest BPN decree had not published. The company was asked by the BPN to resubmit a request for partial release of rights of 5,485 Ha and a Declaration of Partial Release Rights with letter no. 027 / BNS / UM / PSD / I / 2018 dated January 8, 2018 and received by BPN on January 18, 2018.

**2.2.2**  
 There is no change in the SOP for maintenance of the boundary stakes listed in the boundary maintenance procedure described in the SOP Boundary Stakes Maintenance (RSPO / 6-1 / PPB / VII / 14) dated 1 August 2014. Based on this procedure the stakes must be census every 6 once a month. All unit management has shown the monitoring document that the last conducted on June 2018.

Based on a field visit at BPN Stake in TBE No. 05 & 06, in NLE at BPN 100, 108 & 110 stakes, it is known that the stakes are in well maintained condition and are in accordance with the coordinates. The area is directly adjacent to community land.

**2.2.3, 2.2.4 & 2.2.5**  
 SOP related to resolving the land disputes does not change from previous assessment that listed on *SOP Penyelesaian Konflik* (RSPO/2.2/PK).

Based on document verification, information from PT BNS management and also the results of field visits and interviews with several village representatives around the company, there was no indication of land disputes between PT BNS and the parties and no land acquisition for the new development of the area in the company.

Land acquisition activities for the resolution of the last land conflict were conducted in 2011 in Penjuru Village with recorded evidence in the form of:

- Receipt of Compensation Payment
- Release of land rights
- Statement of No Disputes
- Photographs of compensation submission

**2.2.6**  
 Policies related to the prohibition on the use of paramilitaries does not changes as stated in the Policy of the chairman of SOU 19 on 1 June 2016 concerning the policy of prohibiting the use of mercenaries or paramilitaries in company operations.

	<b>Status: Comply</b>																																			
<b>2.3</b>																																				
<b>Use of the land for oil palm does not diminish the legal rights, or customary rights, of other users, without their free, prior and informed consent.</b>																																				
<b>2.3.1, 2.3.2, 2.3.3, 2.3.4</b>																																				
<p>There are no changes related to the mechanism to identify legal rights and compensation payment procedures listed in the Occupational Land Acquisition SOP Number 343/PSD-OKUP/11. The procedure is a reference in conducting compensation processes for land acquisition and resolved of land disputes.</p> <p>Based on document verification, information from PT BNS management and also the results of field visits and interviews with several village representatives around the company, there was no indication of land disputes between PT BNS and the parties and no land acquisition for the new development of the area in the company.</p>																																				
	<b>Status: Comply</b>																																			
<b>PRINCIPLE #3 Commitment to long-term economic and financial viability</b>																																				
<b>3.1</b>																																				
<b>There is an implemented management plan that aims to achieve long term economic and financial viability.</b>																																				
<b>3.1.1 ; 3.1.2</b>																																				
<p>Certificate holder shows a 5-year business plan that is endorsed by the head of PSQM which includes explaining the plan to use seeds, FFB and CPO production, OER targets, Production costs, Estimated selling prices, and Revenues. Evaluation regarding the achievement of a business plan can be seen from the making of monthly estate and mill reports. The report is summarized as one of the ingredients for the preparation of the annual budget</p> <p>Among the peat management plans are included in the peat land drainability study (2017) and replanting studies (2015 – 2018) carried out by the MRC team The PIC responsible for making and implementing the work plan is the Estate Manager / Mill assisted by a Senior Assistant and Division Assistant.</p> <p>The replanting projection is written in the Long Range Replanting Program of PT Bhumireksa Nusasejati. The information contained in the document includes:</p>																																				
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2">Estate</th> <th colspan="6">Plan (Ha)</th> </tr> <tr> <th>2018/2019</th> <th>2019/2020</th> <th>2020/2021</th> <th>2021/2022</th> <th>2022/2023</th> <th>2023/2024</th> </tr> </thead> <tbody> <tr> <td>TBE</td> <td>419.30</td> <td>414.30</td> <td>427.70</td> <td>240.10</td> <td>293.47</td> <td>-</td> </tr> <tr> <td>NPE</td> <td>283</td> <td>273</td> <td>260.01</td> <td>141</td> <td>279</td> <td>411</td> </tr> <tr> <td>NLE</td> <td>279.79</td> <td>307.05</td> <td>298.05</td> <td>233.11</td> <td>245.83</td> <td>261.47</td> </tr> </tbody> </table>			Estate	Plan (Ha)						2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	TBE	419.30	414.30	427.70	240.10	293.47	-	NPE	283	273	260.01	141	279	411	NLE	279.79	307.05	298.05	233.11	245.83	261.47
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<p>Realization of replanting in 2018 for example in block D09 TBE covering 142 Ha and Block E12 covering 141.88 Ha. During the field visit, it was seen that the process of replanting using an excavator. There is no use of fire for replanting activities</p>																																				
	<b>Status: Comply</b>																																			
<b>PRINCIPLE #4 Use of appropriate best practices by growers and millers</b>																																				
<b>4.1</b>																																				
<b>Operating procedures are appropriately documented and consistently implemented and monitored.</b>																																				
<b>4.1.1</b>																																				
<p>PT Bhumireksa Nusasejati is a subsidiary of Minamas Plantation. The procedure used refers to the Agronomy References Manual and Minamas Plantation Factory Operational Procedure. The procedure includes the main process of estate and factories starting from land clearing, nurseries, plant maintenance, harvesting, transportation of FFB, processing of FFB to quality testing of CPO. SOPs are available in each garden office and are available in Indonesian</p> <p>Based on field visits to block E04 when circle and path spraying are known, workers have understood how to work in accordance with established procedures. For example, before being taken to the field, pesticides have been mixed first at the BSS house, the obligation</p>																																				

to use PPE, the obligation to wash and store PPE after work, and the application of pesticides in accordance with the target and prescribed doses.

Field visits to Teluk Bakau Factory, for example, on EFB burner stations and boilers worker have been able to explain their daily work and understanding of OHS.

**4.1.2**

Daily internal supervision is carried out by the level of supervision starting from the foreman, assistant division, and senior assistant to the Estate Manager. Monthly supervision is carried out by the PSQM team as outlined in the work quality assessment report (BHS, BMS, BSS). Annual supervision is carried out by the internal audit team (GCAD) and Plantation Advisory

Any nonconformity found will be responded to by the company by making root cause analysis, corrective actions, and preventive measures. Information from accompanying staff for nonconformities found by GCAD responses to maximum nonconformities is given within 14 working days. While for repairs and improvement progress is given 3-6 months according to the action plan.

**4.1.3**

**Plantation Advisory Department (Nusa Lestari Estate)**

PA report No Minamas-NLE / SOU 19 / 1-2018 date of visit 29 - 31 August 2018 with a score of 70 and entered into the fair category.

The notes in the assessment include:

- There are still lots of individual fruit that have not been taken (blocks 98G009 and 98G007)
- The average bunch weight reported for block 98G007 is 8.8 Kg but the actual calculation in the field is 14.7 Kg
- Uncontrolled growth of *Nephrolephis* in block 98G013-
- LCC does not grow well because of the growth of grass in blocks 17F006 and F008

**Group Corporate Audit Department**

**Nusa Perkasa Estate**

Responses and explanations for SM-1 2017/2018 audit checks from Manager Nusa Perkasa Estate on February 6, 2018. Explanations include:

- Fields for the 1995 to 1997 Planting Year have stand per Ha <136  
Auditee Response: Not full stand per Ha is caused by many oil palm are infested by ganoderma. For blocks that will be replanted, the ganoderma is not controlled but inventoried. Control of ganoderma with a system hole in hole and the use of trichoderma carried out when replanting
- Fertilizer application times are not the same as MRC recommendations and fertilization adjustment  
Auditee Response: Lack of stock, labor, and unfavourable weather conditions. Completion of fertilization programs is always endeavoured on time if supported by stock of available labor and stock

**Teluk Bakau Estate**

- In KCB blocks G007, G008, G009 moss and water hyacinth are overgrown, thus inhibiting transportation  
Auditee response: The rotation maintenance is three months late because the workforce is diverted to help with other maintenance activities and damage to the evit engine. Settlement target on 31 August 2018
- Woody growth and individual fruit are found sporadically spread and grow on block F0013.  
Auditee response: Program stagnation due to cost savings. Target for completion in September 2018.

**4.1.4**

Up to ASA 1.2 assessment certificate holder does not accept FFB from other source. The source of FFB processed is only from the main estate itself.

**Status: Comply**

**4.2**

**Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.**

**4.2.1**

Certificate Holder shows the procedures of managing soil fertility in the Minamas Plantation Agricultural Reference Manual document in the fertilization section (CHAPTER 8). Based on the field visit and interviews with the BMS team in block E08 NPE, it is known that workers have known about the dosage and type of fertilizer used. For example for NPK 44 using a dose of 3.5 Kg / oil palm. In order to

apply the dosage according to the recommendations, a calibrated measuring bowl is used

The implementation of the SOP was monitored and verified by the foreman, Assistant Division, to the level of the senior Assistant and Estate Manager. In addition there is also a PSQM team whose job is to monitor and analyse the quality of work

#### 4.2.2

Information about manuring records is informed in the MMCM document (Monthly Management Committee Meeting). In the MMCM period of September 2018 it is known that manuring achievements are as follows:

##### Nusa Perkasa Estate

Type	Ton		FFB Production (Kg)	Fertilizer/Ton FFB
	Program	Real		
NPK 44	1023.85	497.54	7276.84	0.068
NPK 65	23.02	23.02	7276.84	0,003
HgFb	29.63	1.15	7276.84	0,000016
CuSO4	15.71	2.30	7276.84	0,000032

##### Teluk Bakau Estate

Type	Ton		FFB Production (Kg)	Fertilizer/Ton FFB
	Program	Real		
NPK 44	854.88	-	11019.5	-
ZnSo4	12.08	5.87	11019.5	0.001096
HgFb	22.16	-	11019.5	-
CuSO4	505.40	505.40	11019.5	0.0458

\* Fertilization settlement is targeted for completion in November 2018

Based on field visit to the block E08 Nusa Lestari Estate, known that workers have been able to explain the application of fertilizers according to the established procedures, for example the right dosage, on target, and on time and must use PPE. Workers also said the used fertilizer sacks must be collected to be returned to the warehouse.

#### 4.2.3

Soil sampling to find out nutrients in the soil is carried out every 5 years listed in the Sustainable Plantation Management SOP (724 / TQEM-SPMS / 09 dated 27 August 2010). For leaf sampling is carried out every year listed in the No EXT Serv Procedure. Kal. I-01/01 November 2005.

##### Soil Sampling Unit

Found in the Semi-Detail Land Survey period 2018 - 2023 conducted by Minamas Research Center. The parameter analysed were pH H<sub>2</sub>O, PH KCl, C-Organic, N, C / N ratio, P, Total P (ppm), Calcium, Mg, Sodium, Cation outer capacity, Base Saturation, and Ignition loss Copper, Zinc.

##### Leaf Sampling Unit

The last time was carried out in 2018. Leaf analysis was carried out by Minamas Research Center in Teluk Siak. The elements analysed were dry weight% ASH, P, K, Mg, Ca, and N and PPM Dry Weight elements B, Fe, Cu, and Zn.

- Nusa Lestari Estate : Dated 19 March 2018 in accordance with test report No P20/2018
- Teluk Bakau Estate : Dated 19 March 2018 in accordance with test report No P23/2018
- Nusa Lestari Estate : Dated 19 March 2018 in accordance with test report No P22/2018

#### 4.2.4

Based on the results of the semi-detailed soil survey in 2018 - 2023, it was found that the entire area of PT Bhumireksa Nusasejati was peat. POME and EFB applications to the land were not carried out.

**Status: Comply**

### 4.3

#### Practices minimize and control erosion and degradation of soils.

##### 4.3.1

The marginal land found in the PT BNS area is peat. In accordance with the semi-detailed land survey and the 2011 peat depth study

carried out by agricultural research, one of them informed about the distribution of soil types. The entire management area of the PT BNS is *saprik* peat.

The scale used on the map is 1: 50,000. The types of soil identified are bayas deep, bayas very deep, and kilas

#### 4.3.2

Based on the semi-detailed 2018 - 2023 land survey document by MRC and the 2011 peat depth survey conducted by the agricultural soil survey param, it is known that slopes in the PT BNS area fall into the flat category with a range of 0° - 4°. There is no specific slope area requires special planting strategies.

#### 4.3.3

Certificate Holder operational area is peat land that transports it through water so that it is carried out by canal maintenance. Realization of canal maintenance up to September 2018 is as follows:

##### NLE

Division	Actual			Program		
	Jul	Aug	Sept	Oct	Nov	Dec
I	3000	5750		6250	8700	5250
II	3046	6143	7858	12500	6060	3156
III	6000			4950	4700	2500
IV				6035	11953	22250

Monitoring the condition of main Channels and Collector channels Nusa Lestari Estate stating that the KCB conditions are as follows:

- Severe: 7950 meters
- Medium: 11000 meters
- Light: 3000 meters

As for the Channel Collector of 4000 meters of canal length, the whole is in the light category. During the field visit to block C06 NPE, Housing Division III NLE, and block E04 TBE it was found that the canal conditions were still in good condition. Overall the canal is clean of moss and water hyacinth which can hamper the transportation rate.

#### 4.3.4

Certificate holder has a PT BNS Water Management SOP (01/BNS/VII/16 dated July 1, 2016) which is approved by the General Manager. The procedure includes informing about maintaining water levels of 50-80 cm, facilities and infrastructure to support water management, time of measurement, and water management officers.

Observation of the peat subsidence is carried out every 6 months while observations on water sticks are carried out every day. Observations on the piezometer are carried out every 2 weeks. The results of the water level measurement and subsidence pole are as follows:

##### Monitoring on Peat Subsidence

Location	Installation	Period	
		Jul – Dec 17	Jan – Jun 18
E001	2014	0.22	0.31
D007	2017		0.28

##### NLE (Installation year 2013)

Block	Coordinate	Year	Decline (Cm)
F015	0° 09'16.96" N and 103° 33'33.60" E	2014	3.3
		2015	2
		2016	1.05
		2017	0.6

2018	0.54
<b>Total</b>	<b>7.49</b>

In accordance with the attachment to the Regulation of the Minister of Environment Number 07 year 2006 concerning procedures for measuring the standard criteria for soil damage for biomass production, it is stated that peat soils are declared damaged if the cumulative peat subsidence is > 35cm / 5 years.

**Water Level  
TBE (July 2018)**

Date	Water Level (Cm)		Rainfall	Evaluation		
	Km 00	Km 5		Condition	SPW (Open/Close)	Ditch (Open/Close)
6	-42	-67	3.6	Good	Close	Close
7	-34	-59	26	Good	Close	Close
8	-30	-60	5	Good	Close	Close
9	-30	-63	2.6	Good	Close	Close
10	-31	-62	6	Good	Close	Close

The water level observation for Aneka Persada Estate in the August period states that the average water level in the water stick is between -34 and -48 cm. while in the piezometer is between -29 to -35cm. Based on the field visit to the block D08 Teluk Bakau Estate revealed that the water level on the piezometer was -49cm while the water stick showed a number of -60cm.

To maintain the water level the company has made a water gate so that the water inside can be adjusted to near ideal conditions. 50 - 70 cm water level cannot be used for all areas. If the water level is forced 50 - 70 cm on the upstream part, then the downstream will experience a lower water level. In addition, the high rainfall conditions (average 10 rainy days per month) in the last 3 months have caused the water condition to be high.

**4.3.5**

Certificate Holder shows the 2017 Bhumireksa Nusasejati Peat land Drainability Study conducted by statistical data processing Minamas Research Center. The results of the study stated that PT Bhumireksa Nusasejati fulfilled the requirements to conduct a replanting program. Nusa Lestari Estate and Teluk Bakau Estate are in the "non-critical drainage" category (quite suitable for replanting) while Nusa Perkasa Estate is in the "uncritically undisturbed" group (suitable for replanting (suitable)).

The results of the study are equipped with a map of the critical level of soil decomposition, a map of the depth of the water table, and a map of land acquisition. The results of the discussion in each aspect show that in terms of the level of decomposition and depth of the groundwater, it is in a stable condition (there is no risk of flooding)

Data from the Peat subsidence is known cumulatively on the installation pole in 2013 up to the last measurement in 2018 (± 5 years) a decrease of 7.49 cm. In accordance with the attachment to the Regulation of the Minister of Environment Number 7 of 2006 concerning procedures for measuring the standard criteria for soil damage for biomass production, it is stated that peat soils are declared damaged if the cumulative peat advance is >35cm / 5 years.

**4.3.6**

Results of the semi-detailed land survey of PT Bhumireksa Nusasejati period 2018 - 2023 made by the MRC state that the entire management area is peat. Peat management has been explained in 4.3.4

**Status: Comply**

**4.4  
Practices maintain the quality and availability of surface and ground water.**

**4.4.1; 4.4.2**

SOP Sustainable Plantation Management Guideline No. 724 / TQEM-SPMS / 09 of which contain the protection of riparian (big river 100 m and a small river 50 m). Protection of surface and water flow in the operational area of the PT BNS carried out in accordance with the memorandum chairman SOU 19, Teluk Bakau No. 016/RSPO/BNS/X/2012 dated October 15, 2012. This memorandum Policy contains restrictions on the use of chemicals on the road, path and circle palm except in the way of supervision (width of 1.5 to 2



meters) situated 8 meters from the main drain (primary canal) and 4 meters of drain field (secondary canal).

The CH show a program and the realization of water management for the years 2017/2018 such as monitoring river water, water monitoring spill way, monthly monitoring of waste water and domestic water management every month.

The results of field observation on the side of the canal area, known that the CH has carried out water flow management in accordance with the memorandum chairman SOU 19, Teluk Bakau No. 016/RSPO/BNS/X/2012 dated October 15, 2012, which is a 4 meter ban on the use of chemicals from the secondary canal. Observations in HCV block E011 also showed that there was no chemical use activity along the canal.

In addition, CH also conducts water quality testing of the river every 6 months contained in the RKL-RPL implementation report. The results of testing the quality of river water based on government regulation No. 82 year 2001 for Class II and class III as follows:

Test Parameters	Standard		Results	
	Class II	Class III	Upstream	Downstream
pH	6-9	6-9	7,21	7,45
BOD	3	6	11,62	13,72
COD	25	50	33,21	39,21
TSS	50	400	54	90
Nitrit	0,06	0,06	0,63	< 0,004

Based on the results of surface water quality testing, it is known that thresholds for class II parameters BOD, COD, TSS and Nitrite show results which over the thresholds which indeed has occurred in the upstream part due to the many activities both factories and domestic / residential activities along the upstream Kateman river flow down to the downstream. Increased BOD levels are also due to the company's operational area in the peat area.

**4.4.3**

Mill effluent produced by Teluk Bakau POM processed at waste water treatment plant (WWTP) before it discharged to water body accordance with permit to dispose of waste water to a water body PT BNS No. 503/DPMPSTP-IPAL/2 dated March 15, 2018 which is valid for up to 5 years. Waste water quality testing conducted by CH every month. Based on document review shown for January – September 2018, known there were parameters that exceed the thresholds, namely TSS parameters in July-Sept. Regarding these results, evaluation and follow-up has been shown to the auditor team. The results of the visit to the WWTP, it was found that there was no indication of leakage of liquid waste in the environment.

**4.4.4**

Water usage monitoring was done periodically and recorded, for example on August 2018 FFB processed 10,188 mt, water usage 11,442 m<sup>3</sup>, and water usage efficiency was 1.12 m<sup>3</sup>/tonne FFB processed, and based on the average water usage in 1 year (September 2017-August 2018) it was still in accordance with the stipulated budget, which is 1.35 M3 / ton FFB. Observations on Teluk Bakau POM water treatment plant found monitoring for raw and process water usage was done by officer periodically. Ensure the condition of flowmeter (OFI)

**Status: Comply**

**4.5 Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.**

**4.5.1**

Procedures for controlling pests and plant diseases are listed in Minamas Plantation HRM section 15 and 16. Crop protection summary The August 2018 period states the following:

**TBE**

- Nettle Caterpillar : Result of the August census state average infested pest is 1.5 larvae / oil palm. Under control threshold
- Bagworm : Nil
- Rat : Intensity of the rat infested in August was <5%. So there is no campaign baiting
- Oryctes : The area of attack is 1270.36 Ha. Control with cypermethrin 677 liters.
- Ganoderma : Nil

**NPE**

- Nettle Caterpillar : Nil
- Rat : Intensity of the rat infested in August was <5%. So there is no campaign baiting

**NLE**

- Ganoderma : The overall ganoderma attack infestation is 12.90%. The subject is attacked with a mild category of 3520; medium 2468; weight 759; and fell 19,303. For now the handling of ganoderma attacks is by making actual data on the attack and the area of attack. The driver control is carried out simultaneously at the time of replanting

**4.5.2**

Controllers and pest observers are special people who have been provided with knowledge of handling pesticides, potential pests, and frequency of observations and methods of observing pests in the field. Records of training provided by the company include:

- MSDS awareness and Hazardous and Toxic Material Handling Training on 16 May 2018 at the NPE chemical warehouse attended by 10 participants.
- Nettle Caterpillar Census and Bagworm Census Training on February 17, 2018 in D006 NPE block attended by 12 participants
- Training on Oryctes control on 12 July 2018 at the TBE main office which was attended by 15 representatives from each estate.

Based on the results of interviews with NPE and NLE pest observers it is known that officers have understood the IPM procedures starting from EWS, detailed census, analysis of census results, and control with chemicals if indeed the attack rate has exceeded the control threshold.

**Status: Comply**

**4.6 Pesticides are used in ways that do not endanger health or the environment**

**4.6.1**

Company policies regarding safety in using chemicals are contained in ARM sections 15 and 16 concerning plant protection. Selective use of products is found in the SOP for the protection of plants such as Cypermetrin to control Palm Leaf Eating Caterpillar and Oryctes while Glyphosate is used to control both broadleaf and narrow leaf weeds.

Steps that are included to avoid the development of resistance include:

1. Using census and monitoring methods to determine the type of control to be carried out. The use of pesticides is the last alternative if the results of the study show that the intensity of pest attacks has exceeded the threshold and control threshold
2. Pesticides that are applied right on target, right dosage and on time
3. Integrate control methods physically, chemically, biologically and mechanically (IPM)

Based on the results of interviews with circle and path spraying in block E04, Teluk Bakau Estate, it is known that spraying is in accordance with the procedure. For example, using active ingredients glyphosate combined with methyl metsulfuron. Mixing pesticides is carried out at the BSS house. So that the pesticides brought to the field are not pure ingredients and are ready to use.

**4.6.2.**

Records of pesticide use are documented in monitoring the use and toxicity of pesticides at PT Bhumireksa Nusasejati. Records of pesticide use for NPE and NLE include the following:

**NPE ( July – September 18)**

Trademark	Active Ingredient	Usage	Amount of a.i	Application	a.i/Ha
Ken-Up	Glyphosate	1071	514.08	2395.69	0.214585
Kenly	Methyl Metsulfuron	60	1.2	2224.27	0.00054
Basta	Amonium Glufosinat	40	6	80	0.075
Sentrin	Cypermetrin	1245	62.25	2301.54	0.027047
Kenlon	Triclopyr	81	38.88	604.11	0.064359

**NLE (June 17 – July 18)**

Trademark	Active Ingredients	Usage	Amount of a.i	Application	a.i/Ha
Sidametrin	Cypermethrin	15899.60	7949.80	23452	0.33
Kenlon	Triclopyr	927.76	445.32	1581	0.28
KenUP	Glyphosate	3655.69	1754.73	8572	0.20
Kenly	Methyl Metsulfuron	265.64	5.31	5537	0.00096
Kencepat	Asefat	616.83	46.26	1595	0.029

\* LD50 information is found on the MSDS of each product

**4.6.3**

Certificate Holder has and implements an integrated pest management plan starting with the implementation of the EWS (detection and census method). The census results are used as a reference to determine the control measures to be taken.

The implementation of the IPM program is routinely monitored by the MRC team as outlined in the crop protection summary. Pests identified as the main pests include rat, oryctes and Palm Leaf Eating Caterpillar. In principle, the application of IPM is expected to reduce the use of pesticides. Based on the data pesticide usage period of June 2017 - July 2018 PT BNS is known In the period June 17 - July 18 there was no use of pesticides with these active ingredients. In addition, pesticides with active ingredients paraquat are also not used by the company

Preventive Cypermethrin used: To control oryctes in the immature area and replanting. In accordance with research recommendations age 0 - 3 years is a critical period for plant growth in the field. In addition, the immature and replanting area surrounded by mature allows an outbreak because the replanting area can be an area for breeding oryctes.

**4.6.4**

Certificate holder has a complete list of WHO 1A and 1B pesticides as indicated by the OHS expert of PT Bhumireksa Nusasejati. List contained in annex 2 Procedure of Management Sustainability No. Policy 724/TQEM-SPMS/09. The Sime Darby Responsible Agriculture Charter (September 2016) document outlines that it will implement an integrated pest management program by not using paraquat or chemicals belonging to WHO 1A group. Group 1B WHO will be gradually reduced in accordance with the conventions of Rotterdam and Stockholm.

There is a Sime Darby Responsible Agriculture Charter document (September 2016) which outlines that it will implement an integrated pest management program by not using paraquat or chemicals that belong to WHO 1A class. WHO Group 1B will be gradually reduced according to the Rotterdam and Stockholm conventions.

During the period June 2017 - July 2018 there was no WHO class 1A and 1B pesticide use. Based on field visits to the central warehouse where pesticides are stored, physical stock is in accordance with what is recorded on the warehouse card.

**4.6.5**

One of the procedures for handling pesticides is in the SOP on Management of B3 (No 394 / IT-LB3-23 / 11 dated September 27, 2011). which explains the classification of chemicals, the person in charge, the provision of MSDS through suppliers, how to store chemicals, handling chemicals during use, actions against leaks and spills, first aid to training programs.

Pesticide applicators are special people who have received regular training and direction and are part of the Block Spraying System team. Based on interviews with the BSS team in Block E04 Teluk Bakau and the IPM team in the block D01 NPE workers have been able to demonstrate an understanding of the risks and risks to the chemicals used. Workers are able to explain the spraying border, how to mix ingredients, dosage applications and target pests or weeds.

Pesticides that are brought to the field during the circle and path spraying activities are in a 1: 1 condition (between water and pesticide). Mixing is done in the mixing drum and carried out by special officers. Whereas in the Pest and Disease spray activities the material carried is pure material and mixing is directly on the knapsack carried out by each applicator. to avoid spilling pesticides when mixing activities are used as bases from plastic buckets. The company has the opportunity to ensure the mixing of pesticides is in accordance with the procedures applied. **OFI**

**4.6.6 & 4.6.10**

CH has SOP for hazardous handling revision 00 on August 2, 2010 and has been approved by each estate manager. The results of field observations in the warehouse of chemicals, it was known that chemicals have been stored according to their type and characteristics, located in flood-free areas, there were warnings and plank of hazardous materials, MSDS and use of PPE. Warehouse in and out access was held only by the warehouse responsible. Any interested to enter the storage warehouse must be accompanied by the responsible warehouse. All storage pesticide used are stored in Warehouse Temporary Hazardous Waste that has licensed from related agency. Hazardous waste will be delivered to the licensed hazardous waste collecting and transporter. The results of observations at the housing workers not found pesticide used for other purposes such as water storage.

The certificate holder shows evidence of proper disposal of waste disposal such as the hazardous waste handover to the collector and waste transporter of PT Desa Air Cargo Batam, for example Minutes of handover of hazardous waste on July 6, 2017.

**Observation**

- Ensure the realization of the hazardous Warehouse construction at NPE.
- Ensure that the container for water from spraying equipment in the BSS NPE is closed.

**4.6.7**

The Company has Pictorial OHS Palm Oil guidance (No.722/PSQM-PSS/10 dated December 13, 2010) that describes the work instructions of pesticide applications governing applicable PPE, warning signs, spray training courses, emergency response, Spray worker facility (BSS house) for equipment storage, PPE and mixing place up to storage of used jerry cans in hazardous waste storage

Based on interviews with spraying workers at Nusa Perkasa Estate and Teluk Bakau Estate it was explained that the workers had been trained and the workers could explain the safety of spray activities, such as the applicable PPE, the pesticide mixing activity was done in a special place (BSS house) and after Spray activity is finished the PPE and spray equipment must be cleaned and stored in special place (BSS house).

**4.6.8**

Based on interview with spray workers, foremen, and estate managers airborne pesticide application has never been done. Field observation to workshops and pesticide storage warehouses did not find any facilities and infrastructure to apply airborne pesticides.

**4.6.9**

Information about handling pesticides is included in the product MSDS and SOP for the management of pesticides, PT Bhumireksa Nusasejati. In addition there are routine socialization such as in the morning muster or formal training such as:

- PPE and NPE Spray Employee Training on 17 February 2018 in block E001 were attended by 8 workers. The trainer is an NPE senior assistant.
- MSDS Socialization; Hazardous and Toxic Material Handling Training on 16 May 2018 at the NPE chemical warehouse attended by 10 participants.

Training minutes inform the material provided at the time of the training including the implementation of spray procedures, how to store and handle chemicals, and how to work safely both for themselves and the environment.

Interviews with the BSS team in block E04 TBE revealed that spray officers understood and were able to explain how to handle and apply pesticides. There are no smallholders at PT BNS

**4.6.11**

CH has shown a list of documents on the list of pesticide operators in 2018. The company has shown health check documents that are routinely conducted every year. Based on the results of the Cholinesterase test conducted in May and September 2018, it shows the results of all workers in normal conditions (healthy to work). Based on interviews with pesticide operator Nusa Perkasa Estate, no workers have indications of skin disease and itching.

**4.6.12**

CH is committed not to employ pregnant and lactating women in direct contact with chemicals.

The company has a policy stating that it prevents pregnant and lactating women from handling pesticides in a policy on prohibition of pregnant or lactating women working as pesticide operator signed by the Head of Plantation Upstream Indonesia in December 2011.

Based on interviews with pesticide operators found that no spray workers were pregnant or breastfeeding. In addition, it was also explained that if female workers were identified as pregnant or breastfeeding then a work mutation would be carried out, where new work positions would not be related to chemicals.

Status: Comply

**4.7 An occupational health and safety plan is documented, effectively communicated and implemented.**

**4.7.1**  
The company has a policy of occupational safety and health available in Indonesian language. The policy has been legalized and updated on December, 2011 by Head Plantation Upstream Indonesia. The company's commitment on the implementation of occupational health and safety within company's operation. This policy is designed to control hazards in every activity that is in the working environment to prevent accidents and occupational diseases. It has been disseminated on the activities of the safety briefing before doing the work. Management have work program of occupational.

Based on interview with workers known that they have been known about the OHS policy. They also said that assistant perform morning briefing every day before starting work.

**4.7.2**  
CH has undertaken an analysis and identification of the hazards and risks that may arise from the operations of the Mill and Estate. CH can demonstrate hazard identification risk assessment and control (HIRAC) documents Estate and Mill. HIRAC has explained types of work, hazard analysis, effects, risk analysis (effects, probability, risk and high, medium, low), risk control, residual risk and PIC.

Based on the review of the document shown and confirmation submitted by the management unit it is known that the HIRAC renewal is performed at least 1 (one) time in a year in accordance with the Policy of OHS Hazard Identification, Assessment and Risk Control (No. 7301/PSQM-ESH/11), with the person responsible for the preparation of HIRAC is the Unit Manager (or Manager level) and can be assisted by OHS Expert.

Based on the OHS report, there was 1 work accident at the Teluk Bakau Factory, 17 at the Teluk Bakau Estate, 6 at Nusa Perkasa Estate and 1 work accident at Nusa Lestari Estate.

The document is composed to conduct identification and analysis of dangers potential that is probably happened at workplace and the recommendation to reduce the potential of work accident. According to the result of document review and field visit to mill and estate, the management unit has socialized the risk analysis document to all workers. Based on interview with the employees in estate and mill, obtained information that the employee has known the potential of dangers that could occur at workplace.

Based on site observation at workshop and agrochemical warehouse in Teluk Bakau Estate it was clearly confirmed that workers had been aware related potential risk and hazards in the work place. Following up on this, the company has been reduce the potential risk by providing PPE and OHS signboard are available in workplace.

**4.7.3**  
The PPE provided by the company has been adjusted to the potential hazards and risks of its work so as to effectively protect the workers as its users. Arrangement of personal protective equipment has been arranged in the company through procedures for Personal Protective Equipment (10/BNS-PSQM-ESH/16 dated 04 January 2016).

In the PPE procedure owned by the company, as an example the type of ear protectors in the area identified as having high noise levels are ear plugs and ear muffs. This has been implemented in the field. Workers working in high noise areas such as workers in machine rooms use ear muffs for work and workers at the press station using ear plugs.

Certificate holder has had a training program related to safety and health for 2018 including technical training, safety license training, and first aid training. Workers have been given training related to safety and health such as how to work safely, first aid training. Certificate holder also provides PPE to employees according to HIRAC and MSDS.

The company monitors the use of PPE in evaluating SIME Cards, safety town hall, and checking safety briefings in estate and mill. Based on field visits in units, workers were still found undisciplined to use PPE at work. However, improvements have been shown in the form of monitoring the use of PPE. This is an improvement for the company to ensure monitoring of the use of PPE can run effectively (**Observation**).

**4.7.4**  
Certificate holder has identified those responsible for implementation of OHS program formed in P2K3 structure. Based on interview

with Labour Agency Indragiri Hilir District, company has P2K3 and OHS Officer in accordance with the regulations.

Besides that, meeting related OHS has been done by P2K3, example meeting on June and September 2018 with an agenda of work accident evaluation, using of PPE and safety work operational besides that it is suggestions/recommendations from OHS Experts.

**4.7.5**

The company has an SOP for accidents and emergencies that are still the same as the previous assessment.

- No. SOP-01 dated 1 July 2014 concerning emergency reporting. The procedure has explained the classification of accidents, PIC, reporting to stakeholders, investigations, reporting time, insurance, etc.
- No. 724 / TQEM-ESH / 10 dated April 1, 2010 concerning identification and evaluation of potential hazards.
- No. 730 / TQEM-ESH / 10 dated April 1, 2010 concerning fire emergencies (prevention and handling).

Established procedures has included the identification of fires, chemical spills, work accidents, natural disasters (floods) etc. Simulation was performed to know the preparedness of emergency response equipment in the POM. The simulation was performed on hydrants located in Teluk Bakau Factory and the result of the simulation was concluded that the hydrant tool is ready for use.

Records of work accidents are made every time there is a work accident which is then reported and sent to the Manpower Agency district of Indragiri Hilir and BPJS.

Based on field observations and interviews with workers in the estate and mill, it was explained that workers had understood the handling procedures in emergency conditions, for example by following the evacuation directions around the operational area, there were fire extinguishers that were ready to be used and first aid kits as temporary forms of treatment further treatment by a doctor. First aid kits and officers are available in operational areas such as security guard posts, GM offices, division offices, workshop, cooperatives, central warehouses, gasoline warehouses, day-care, kindergartens, clinics, and generators room. Monitoring the completeness of the contents of the first aid kit is done once a month.

**4.7.6**

Certificate holder has provided the employees with insurance to cover accident in accordance with the provision set by the government (BPJS). Such insurance is named national social insurance for manpower/ BPJS, which is routinely paid every month. Meanwhile, for medical insurance, PT BNS has registered its entire personnel in manpower medical insurance/ BPJS. Based on interview with some personnel, it is known that the entire personnel have been registered in manpower medical insurance/ BPJS. Besides that, interview with contractor representative, it is known that the accident insurance for contractor’s workers is covered by the head of contractor itself.

**4.7.7**

Work accident is documented on the work accident recapitulation report and provided the lost time accident matrix in it. The matrix describe the number of work accident, working days lost, working time lost, and the number of lost cost. The matrix is attached on the guiding committee of occupational health and safety report.

Based Monitoring accident period July 2017 to June 2018 that in Estate (24 work accident) and mill (1 work accident).

Certificate holder has been monitoring statistic work accidents until June 2018 and analyse the lost time due to accidents. Monitoring of work accidents performed every month and reported to the relevant agencies with regular reports of P2K3.

**Status: Comply**

**4.8**

**All staff, workers, smallholders and contractors are appropriately trained.**

**4.8.1 & 4.8.2**

**Teluk Bakau Factory (2018)**

Training Program	Participant	Facilitator	Plan	Real
SCCS	Foreman	PSQM - ESH	August	August
	Worker			
Process	Staff	Assistant Process TBF	March	March
	Foreman			
Maintenance	Worker	Assistant Process	April, June,	July, August
	Foreman			

	Worker	TBF	August	
Analys	Foreman	Assistant process	June	August
	Worker	TBF		
HIRAC	Foreman			
	Worker	PSQM - ESH	August	September
First Aid	Staff			
	Foreman			
	Worker	Doctor/Paramedic	August	August
Emergency Response	Staff			
	Staff			
	Worker	PSQM - ESH	June	June
OSH Awareness	Foreman			
	Worker		February	February
	Mandor	PSQM - ESH		

**Estate**

Training	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19
Basic Fire Fighting			√									
HIRAC				√			√		√			
APD	√		√		√		√		√		√	
Harvesting				√								
Spraying				√								
Manuring				√								
Environment Internal Audit							√			√		
MSDS		√										
Emergency Response	√											
Indonesian OHSE		√										
Awareness RSPO					√	√		√	√		√	√

Before creating a training program HR department, representatives of the plantations and factories compiled an identification of training needs. The HR section is assisted by document control and PSQM keeps a history of the training that has been carried out. The frequency of training according to the identification of needs is divided into three types, namely annual, semester, and quarterly.

Examples of realization of training include the following:

**Teluk Bakau Factory**

- SCCS Training: Realization of August 2018 was attended by 8 participants including contractor representatives
- First Aid Training: Realization in August 2018 attended by 5 participants

**Estate**

- Awareness RSPO : It is planned that in November 2018 it will be held every 2 months until June 2019
- Emergency Response. The realization in September 2018 was attended by 20 representatives from each estate.

**Status: Comply**

**PRINCIPLE #5 Environmental responsibility and conservation of natural resources and biodiversity**

**5.1**

**Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continuous improvement.**

**5.1.1**

CH has an environmental impact assessment document, as follows:

- EIA documents approved by the Ministry of Agriculture, Agribusiness Board with endorsement number 07 / BA.5.3 / V / 1996 dated May 17, 1996. EIA documents include the Environmental Management Plan (RKL) and Environment monitoring plan (RPL) approved by the Ministry of Agriculture with the number 093 / RKL - RPL, dated May 14, 1996.
- Revision of the Environmental Management Plan (RKL) and Environmental Monitoring Plan (RPL) to the total area of the study amounted to 25,662 ha and a capacity of Factory to 60 tons / hour which has been approved by the Head of Department of the Environment, Energy and Mining District Indragiri Hilir No. 11 / IH / RKL-RPL / V / 2006 dated May 3, 2006.

**5.1.2 & 5.1.3.**

CH has had applied environmental management aspects in accordance with matrix of RKL-RPL, among others :

- Peat subsidence
- Physical and chemical of soil
- Air quality and noise
- River and canal water quality
- Quality of liquid and solid waste
- Potential forest and land fires
- Disruption of flora and fauna
- Management of hazardous waste
- Public unrest

CH also has conducted environmental monitoring as outlined in the Report of the Environmental Management and Monitoring for regular basis. These report described realization of monitoring and management of the environment in accordance with environmental parameters in the RKL/RPL. The environmental management plan has identified (PIC) the person who is responsible that is in accordance with their respective parts and fields and is responsible to their respective Managers.

Based on document verification and field visits, it is known that the company has conducted environmental monitoring, such as:

- Monitoring of erosion-prone areas
- Conduct emissions testing
- Conduct air and ambient quality testing.
- Conduct water quality testing
- Monitoring the quality of liquid waste
- Etc

CH has carried out environmental management and monitoring activities in accordance with the matrix of environmental documents, including the impact of replanting activities described in the first semester of 2018 RKL-RPL Implementation report. The report also explains the evaluation results of environmental management and monitoring activities including the evaluation results of replanting activities. It also explained the follow-up of activities from the results of monitoring that are not in accordance with the standard. In addition, it is also explained about the effectiveness of environmental management, constraints faced, conformity between the results of implementation and plans and proposals relating to RKL-RPL.

**Non-Conformity No. 2017.02:**

Based on document RKL-RPL implementation report semester 2 year 2016 and semester 1 year 2017, is known CH not conducted monitoring biota disturbance level, such as the measurement of plankton density and benthos density in accordance with document RKL-RPL year 2006.

**Auditor verification October 11, 2018**

The company showed evidence of corrective action in the form of:

- Letter of introduction for sample of the River Upstream and Downstream of the Kateman River on December 3, 2017 and July 4, 2018 requesting to analyse Physical parameters, Inorganic Chemical, Organic Chemical & Microbiology. There have been test results with Physical and Chemical parameters.



- Letter of introduction for sample of the River Upstream and Downstream of the Kateman River by including the parameters of Biota Water analysis (plankton & Benthos) dated 28 September 2018.

Based on the results of the root cause analysis, corrections and corrective actions, the non-compliance can be stated as fulfilled but will be observed in the next assessment.

**Status: Comply**

## 5.2

**The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced**

### 5.2.1.

HCV assessment was conducted by Yayasan Indonesia Sustainable Palm Oil in December 2009 by qualified assessor. HCV area located in Nusa Perkasa Estate measuring to 9.43 ha area (Reserve conservation / forest conservation). A public consultation was conducted on 21 November 2009 is located in the Office of GM Estate as many 26 people (workers) and to the surrounding community PT BNS on December 4, 2009 as many 76 people comprising village chief, sub-district, community leaders, village board, youth leaders, and others). CH also has complete and adequate HCV location map which is available in Nusa Perkasa Estate.

### 5.2.2; 5.2.3 & 5.2.4

To provide protection against RTE species, management unit has made the hunting ban signboard, patrolling, conduct enriching plants. CH also conducted a periodically monitoring every month for HCV areas, and species monitoring by assistant who is also a HCV officer. CH has issued a policy to protect endangered species as outlined in the SOP Flora and Fauna Handling. Based on field observation known that HCV area condition is well maintained. CH has shown records of monitoring of fauna, for example: fauna identification found by officers conducted on September 7, 2018, seen several species such as *Macaca Fascicularis*, *Macaca nemastrina*, *Felis viverrinus*, *Heliastur indus*, *Manis javanica*, *Ichthinaetus malayaensis*, *Copsycus sp*, *Copsycus soularis*, *Pycnonotus goiavier*, *garulex cinerea*, *Arachnothera sp*, *Pycnonotus squamatus* etc.

Based on field observation, known that there was no species /animal which was captured, harmed or collected by workers or villagers. And based on interviews with workers, known that there was no issue related to capture, harm, and collect the animals.

CH has socialized the HCV area as indicated by :

- Record of HCV socialization on April, 21 2018 attended by 20 workers
- Record of HCV socialization on November, 10 2017 attended by 10 workers and 7 local communities.
- Record of HCV socialization on October, 6 2017 attended by 34 participants.

In addition, the results of interviews with workers such as harvester, spraying team it is known that workers understand the protection of wildlife and protection of other HCV areas.

CH has work programme of HCV that is available for every year. Based on field visits and document review, it was discovered that CH had realized an HCV management plan, for example:

- Socializing HCV locations through signboards.
- Conducting enrichment in the HCV area by bamboo and pulai plants.
- Monitoring HCV areas including protected animals.
- Record of HCV socialization for example on April, 21 2018 attended by 20 workers.
- Reporting of flora and fauna to the Conservation and Natural Resources Body of Riau Province on August 14, 2018.

CH has evaluated HCV management plans every month based on HCV monitoring results. It contained in the document PT BNS HCV Area patrol report.

### 5.2.5

Based on field visits and interviews with village communities, there were no community areas that overlapped with the HCV area.

Status: Comply

**5.3 Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.**

**5.3.1**  
The certificate holder has identified waste and pollution products from the activities of the plantation and factory, which includes the identification of the source of waste from each activity in the plantation and mill and handling recommendation, for example: POME, EFB, fibre and shell, contaminated packaging, domestic waste etc.

**5.3.2 & 5.3.3**  
The hazardous waste has been storage at the hazardous waste temporary warehouse which has already gotten the permit of hazardous waste storage as follows:

- Temporary hazardous waste storage permit for PT BNS (Teluk Bakau Factory) with No, 503/BP2MPD-IPSL.B3/XII / 2014/06 dated December 9, 2014 and is valid for 5 years.
- Temporary hazardous waste storage permit PT BNS (5 Estates) No.503/DPMPPTSP-IPSL.B3/2 dated March 15 2018 and is valid for 5 years.

Based on field observations in the hazardous waste storage and interviews with workers, known that certificate holders saving and dispose of chemical containers in licensed hazardous waste temporary warehouse and are collected for transport by licensed hazardous waste collectors and transporter. Based on the observation, also known waste stored in the hazardous Waste Temporary Storage Site has been stored in accordance with the requirements in accordance with applicable regulations, such as: eyewash or shower, emergency response such as APAR, first aid box, symbols and labels of hazardous waste, in flood-free areas, etc.

CH shows documents for storing and handling hazardous waste such as hazardous waste logbook, waste balance, minutes of hazardous waste handover, hazardous waste manifest as well as hazardous waste reporting report. For example minutes of hazardous waste transportation dated 6 July 2017 collected by licensed collector. The third party already has permit related to collection and transportation of hazardous from related agency.

For liquid waste, CH dispose POME to the water body, it is accordance with permit No. 503/DPMPPTSP-IPAL/2 dated March 15, 2018 which is valid for up to 5 years. In addition, based on visits in the area of WWTP there was no indication of leakage of liquid waste. For shells and fibre, the company utilizes the solid waste for boiler fuel. As for domestic waste at housing complex, it will be transported 1-2 times a week to be disposed of in the landfill.  
Ensuring the management of hazardous and domestic waste (**Observation**).

Status: Comply

**5.4 Efficiency of fossil fuel use and the use of renewable energy is optimised.**

**5.4.1**  
CH has calculated the use of fossil fuel in January - August 2018 period with average fossil fuel consumption of 29,771 liters with average CPO for the January-August 2018 period totalling 1.803,4 mt. So that the average use of fossil fuel usage efficiency is 17.06 per ton CPO.

CH shown commitment to reducing fossil fuel by renewable energy usage came from fibre and shell. Shell and fibre usage have been monitored per month. During January - August 2018, fibre and shell usage for boiler resulting average energy efficiency are 0.75 MT/ton CPO for fibre and shell.

Status: Comply

**5.5 Use of fire for waste disposal and for preparing land for replanting is avoided except in specific situations, as identified in the ASEAN guidelines or other regional best practice.**

**5.5.1 & 5.5.2**  
CH showed a Memorandum with the document number M-077 / HPUI / VII / 2014 dated on August 7, 2014 from the Head Plantation Upstream Indonesia notifying guidelines for fire prevention and suppression, and provided a memorandum with 010 / SGM-SMT / I / 2015 dated on January 21, 2015 regarding the anticipation of the dry season and in preparation of the fire hazard.

Based on document verification for example agreement letter for replanting No. 012/SPK/BNS-TBE/X/2017 and Minutes of inspection

of work and application for payment dated 31 August 2018, explained the replanting with process toppling, stacking, chopping, and cutting. Based on the field visit of division II block D03 the land preparation area for replanting is known that land preparation activities for replanting are carried out by toppling, stacking, chopping, and cutting. There is no indication of burning activity for land clearing activity.

**Status: Comply**

**5.6**

**Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.**

**5.6.1; 5.6.2**

The certificate holder has identified waste and pollution products from the activities of the plantation and factory, which includes the identification of the source of waste from each activity in the plantation and mill and handling recommendation, for example: POME, EFB, fibre and shell, contaminated packaging, domestic waste etc. CH has also identified the source of emissions generated from the operations of the plantations and mill. Based on observation in mill area, k

CH has also conducted an assessment of activities that cause pollution or emissions, for example:

- Liquid Waste quality testing
- air quality testing
- testing of emissions of boilers and generators
- noise testing
- odor testing
- and vibration testing

The results of air quality are based on the parameters set out in Labor Ministry Regulation No.13 / MEN / X / 2011. Thresholds of boiler emission refer to: Environmental Ministry regulation No.7 year 2007. Thresholds for noise levels refer to Environmental Ministry Regulation No.48 / 1996, vibration level refers to Environmental Ministry Regulation No.49 / 1996, and thresholds for Odor refer to Environmental Ministry Regulation No.50 / 1996. Based on the tests performed, it was known there are no test results that are exceed the quality standard. Based on observation in mill area, known that there were warning signs posted at high noise areas.

**5.6.3**

Teluk Bakau POM conduct GHG calculation and its monitoring using RSPO palm GHG calculator v 3.0.1. Based on the verification, known that accurate data has been put into the RSPO PalmGHG Calculator and 'Exclude LUC Emission' calculation option is not applied.

Summary of GHG emmison for Teluk Bakau POM are listed as follows :

1.	RSPO PalmGHG	Ver 3.0.1
2.	Site	PT Teluk Bakau
3.	Certificate validity	29 November 2017 – 28 November 2022
4.	Certificate Registration no	MUTU-RSPO/008
5.	CB	Mutu Certification International
6.	Audit date	8 – 13 Oktober 2018
7.	Data set	Juli 2017 – Juni 2018

**Summary of Net GHG Emissions**

Emission per product	tCO2e/tProduct
CPO	769.65
PK	769.65

Production	t/yr
FFB processed	85069
CPO produced	19176
PK produced	3707

Extraction	%
OER	22.54
KER	4.36

Land use	Ha
Planted area	18630.97
Planted on peat	18630.97
Conservation Area	9.43

**Summary of field emissions and Sinks**

Description	Own crop		Group		3 <sup>rd</sup> party	
	tCO <sub>2</sub> e	tCO <sub>2</sub> e/tFFB	tCO <sub>2</sub> e	tCO <sub>2</sub> e/tFFB	tCO <sub>2</sub> e	tCO <sub>2</sub> e/tFFB
<b>Emissions Sources</b>						
Land conversion	151402.42	1.69	0	0	0	0
CO <sub>2</sub> emissions from fertilizer	10493345.57	216.77	0	0	0	0
NO <sub>2</sub> emissions	6526203.29	73.01	0	0	0	0
Fuel consumption	4310.53	0.04	0	0	0	0
Peat oxidation	534535.38	5.44	0	0	0	0
<b>Sinks</b>						
Crop sequestration	-91651.59	-0.93	0	0	0	0
Sequestration in Conservation area	-75.98	0	0	0	0	0
<b>Total</b>	<b>17618069.62</b>	<b>296.01</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Summary Oil Mill Emissions and Credits**

Remarks	tCO <sub>2</sub> e	tCO <sub>2</sub> e/t FFB
<b>Emissions sources</b>		
POME	-39.54	0
Fuel consumption	1592.49	0.02
Grid electricity	378.13	0
<b>Credits</b>		
Export of grid electricity	0	0
Sales of PKS	-8155.4	-0.1
Sales of EFB	0	0
<b>Total</b>	<b>-6224.32</b>	<b>-0.07</b>

**Palm Oil Mill Effluent (POME) Treatment**

Divert to compost (%)	0
Divert to anaerobic digestion (%)	100

**POME Divert to Anaerobic Digestion**

Divert to anaerobic pond (%)	100
Divert to methane capture (flaring) (%)	0
Divert to methane capture (electricity generation) (%)	0

Status: Comply

**PRINCIPLE #6 Responsible consideration of employees and of individuals and communities affected by growers and mills**

**6.1 Aspects of plantation and mill management, including replanting, that have social impacts are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate the continuous improvement.**

**6.1.1; 6.1.2; 6.1.3 & 6.1.4**

Same as the previous assessment, the management unit of PT BNS has document of Social Impact Assessment. The assessment process was done on January 2010. The assessment and reported was carry out by *Yayasan Sawit Berkelanjutan Indonesia*. Evidence of the implementation of a social impact assessment has been included in the attachment to the SIA document, including records of meetings and evidence of participation with affected parties. The company also has document of Social and Environment Impact of Replanting. The study was done by competence person to identify the replanting studies, it is aim to knowing environment and social impact of replanting. Based on consultation with representative of Makmur Jaya Village There were no complaints regarding environmental caused by the company's operational activities.

CH has a social impact management plan for the period 2017-2018 based on the participation of the affected parties. The plan includes aspects of education, economy, social and culture, social and community empowerment. The company has also shown some evidence of the realization of the impact management activities.

Social impact management plans are prepared and evaluated annually through questionnaires given to affected parties. For example, the company shows a questionnaire at the end of 2017 and a questionnaire analysis of the social impact of PT BNS in 2018 was made with a total of 24 respondents. The questionnaire based on the impact assessment resulted in programs needed by the community related to health aspects, integrated pest control, improved road / bridge access, school transportation for children and border canal cleaning. Based on the results of interviews with management, the questionnaire results will be a management plan for 2018/2019.

**6.1.5**

Result of verification of documents and interviews with management, it is known that PT. BNS does not have a plasma scheme.

Status: Comply

**6.2 There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.**

**6.2.1, 6.2.2, and 6.2.3**

CH still using their own communication and consultation procedures (Communication SOP / Consultation with Community No. 005 / BNS / MDF-KKM / IX / 12). These procedures as a guideline for communication / consultation with relevant parties including affected communities.

It has been shown list of stakeholder of PT BNS consists of central government (5), local government (64), internal organizations (12), external organizations (13), community leaders (17), suppliers (5), contractors (12), schools (7), hospitals / insurance / banking (8).

The unit of management has already established the public relation officer. Staff in charge of PT. BNS is Moch. Hanafi who responsible to the PSD manager at the representative office in Riau and the coordination with the management of the operating unit.

According to direct interviews and visits during ASA-1.2 to Pelangiran village and Makmur Jaya village, the community acknowledged responsible people who continued to communicate with them and that person was under the Plantation Service Department (PSD) Department. If they need information they will submit a letter to the company. According to them, the company always responds each letter submitted. The company has responded well to any existing communication processes, the preparation of SOP has been take into consideration of suggestions from the public and other affected parties.

Status: Comply

**6.3**

**There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties.**

**6.3.1**

PT BNS have mechanisms and complaint handling system is described in Procedure for Communication with the number of policy (Complaint Resolution Procedure - RSPO/6.3/PKM. These procedure guidance complaints can be submitted through the recording on logbook that has been provided, verbally direct to the foreman, through the suggestion box, through gender committees, worker union, hotline and email provided by the company and through the RSPO website. Grievances included anonymous and whistle-blower cases can be submitted through the suggestion box, suggestion boxes checked by officer in charge.

**6.3.2**

During 2017/2018 there were several complaints related to housing facilities, such as repairing employee housing facilities and being followed up by the company. In addition, based on interviews with workers, there have been several complaints that have been submitted, but some have not been recorded in the workers' complaint log book even though the realization has been shown. For example, submission of complaints regarding repairs to damaged houses has been submitted and corrected, but has not been recorded in the complaint log book. Based on this, the auditor considers that this is an improvement from the company to ensure that all complaints from workers can be documented. **OFI**

Status: Comply

**6.4**

**Any negotiations concerning compensation for loss of legal or customary rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.**

**6.4.1, 6.4.2 & 6.4.3**

There are no changes related to the mechanism to identify legal rights and compensation payment procedures listed in the Occupational Land Acquisition SOP Number 343/PSD-OKUP/11. The procedure is a reference in conducting compensation processes for land acquisition.

Based on document verification, information from PT BNS management and also the results of field visits and interviews with several village representatives around the company, there was no indication of land disputes between PT BNS and the parties and no land acquisition for the new development of the area in the company.

Land acquisition activities for the resolution of the last land conflict were conducted in 2011 in Penjuru Village with recorded evidence in the form of:

- Receipt of Compensation Payment
- Release of land rights
- Statement of No Disputes
- Photographs of compensation submission.

Status: Comply

**6.5**

**Pay and conditions for employees and for employees of contractors always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.**

**6.5.1**

CH has work agreement for permanent worker and temporary daily worker which explain about the wages, work hour, duty and responsibility, and other provisions. At present the minimum wage 2018 at PT BNS is followed on the Plantation Sector Minimum wage. This is based on the Collective Agreement on the Minimum Wage Increase in the Agriculture / Plantation Sector in 2018 in Riau Province on January 18, 2018 which contains a joint agreement between GAPKI Riau and BKS PPS with Regional Administrators of the Federation of SP Agriculture and SPSI Plantation Riau Province concerning Minimum Wages of the Provincial Plantation Sector Riau in 2018.

Besides, the company have Intern Office Mail No.015/RSP-12/V/2018, about Wage for daily permanent worker and monthly

permanent worker. The wage for contract worker is set in the work agreement. Based on interview with worker in Estate and Mill, they received the payslip document and the amount is in accordance with the applicable regulation. Based on field observation and interview with workers (nursery workers, manuring workers, and harvester), they get the wage accordance with the wage minimum regulation.

**Non-conformance No.2018.02.**

Based on interview with management and document verification regarding the Decision Premium System of PT BNS Employee year 2013 (Memorandum No.244 / RS-est / IX / 2013) dated September 26, 2013. The auditor conducted a simulation calculation based on regulations. Explained as follows:

Simulation of overtime calculation for example in September 2018 with employee sampling results showed that in 24 working days and 6 days off if calculated by calculating overtime according to the rules obtained results of IDR 2,266,526. While the payment of fixed premium salaries given to security is IDR 1,004,000.

	Total days	Number of hours outside normal work	Overtime calculation	Total hours of overtime
Short working day	4	3	5.5	22
Long working day	20	1	1.5	30
Holidays	6	8	17	102
<b>Total overtime / September 2018</b>				154
<b>Overtime / hours</b>				14,718
<b>Total overtime pay</b>				2,266,526

Based on this, it is known that the company has not been able to show evidence that it has paid wages outside working hours / overtime in accordance with Kepmenaker No.102 of 2004 concerning overtime work and overtime wages.

**This is a non-conformance No.2018.02.**

**6.5.2**

CH has collective labour agreement (PKB) period 2015 – 2017 between *Badan Kerjasama Perusahaan Perkebunan Sumatera* (BKS-PPS) with *Pengurus Pusat Federasi Serikat Pekerja Pertanian dan Perkebunan Serikat Pekerja Seluruh Indonesia* (PP.FSP.PP-SPSI) which is valid from 21 April 2015 until with April 20, 2017 which has been through the Decree of the *Direktur Jendral Pembinaan Hubungan Industrial dan Jaminan Sosial Tenaga Kerja* with Number 88/PHIJSK-PPKAD/PKB/VI/2015 on June 18, 2015. PKB has been in compliance with the Labor Laws and Regulations. At present the PKB has expired, however, in the agreement it is stated that as long as the new PKB has not been issued, PKB is still declared valid.

Besides that, work agreement (contract) between contract workers and company describes about scope of agreement, rights and obligations, work days and times, leave, salary, allowance, welfare facilities, sanctions, layoffs, settlement of disputes and others. Contract is written in Indonesian language and workers are understood the substance of the contract. On the chapter which describes salary system, stated that basic wage for permanent daily worker is above daily minimum wage. All work agreements have been registered with the labor department.

**6.5.3**

Based on field observations, the company has provided welfare facilities to workers who are basic needs such as housing, clean water, transportation, religious facilities, educational facilities, electricity, access to food in the form of employee cooperatives. Based on the results of interviews with workers' representatives, it was explained that employee cooperatives provided basic necessities at affordable prices and goods that were easily obtained.

In addition, based on field observations and interviews with workers, it was explained that some of the employees' houses were still in a permanent condition and some were in repair conditions due to damage. For some reports of damage to employees' homes, the company showed several supporting documents regarding the progress of home improvement. Based on the data above, the company has shown the progress of building (permanent) housing. In addition, it is an opportunity for improvement to the company about monitoring progress in repair of damaged employee houses. (OFI).

**6.5.4**

Based on the results of interviews with workers' representatives, it was explained that employee cooperatives provide basic needs at affordable prices and goods that are easily obtained. In addition, every month employees receive basic food allowances, namely 15 kg

of rice for each worker and the family of the insured. The company also provides water transportation for workers in the nearest downtown in the Guntung once a month.

Major 6.5.1	Status: Non-conformance No.2018.02 with major category
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**6.6**  
**The employer respects the right of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.**

**6.6.1**  
 PT BNS has been documenting and implementing the policies related to giving freedom to all workers to form and join unions workers desired. Policies are available in point 5 of the Code of Sustainable Plantation Management No. 724/TQEM-SPMS/09 dated April 1, 2010, signed by the CEO (Chief Executive Officer). Company facilitates the establishment of labor union to deliver the information from the workers to company and vice versa.

In the ASA-1.2 has been shown Decree Number: 20/Kep/PC-FSPPP-SPSI/VI/2015 dated July 9, 2015 concerning Ratification/ Inauguration of the *Komposisi dan Personalia Pengurus Unit Kerja Federasi Serikat Pekerja Pertanian dan Perkebunan Serikat Pekerja Seluruh Indonesia* (PUK F.SPPP-SPSI) PT Bhumireksa Nusasejati – Teluk Bakau Factory period 2015 until 2020.

**6.6.2**  
 Worker Unions meetings both internally and with management to do if there are labor issues that have been raised by the company. The company showed internal meeting minutes of Workers Union, for example the meeting at August 27 2018 about tripartite meetings of labor, company and trade union.

	Status: Comply
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**6.7**  
**Children are not employed or exploited.**

**6.7.1**  
 Certificate Holder have the policy regarding minimum age for worker regulated was presented in work agreement article 16 about employee's acceptance, which mentioned that minimum age shall be 18 years old. Based on list of PT BNS employees for period September 2018 review, it was know that there were no workers under 18 years old. For example, the youngest employee on TBF is a laboratory worker with the age of 20 years.

Based on field observations in harvesting activity Block C06 Division IV Nusa Perkasa Estate it is known that workers understand the provisions of the minimum age requirements are allowed to work and are not allowed to bring children under age at the time of work in the field.

	Status: Comply
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**6.8**  
**Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.**

**6.8.1**  
 The certificate holder has a company policy on non-discrimination and equal opportunities. The company shows document No. Policy 724/TQEM-SPMS/09, Rev.00 dated April 1, 2010. The policy of recognizing equal opportunities and treatment. In the Policy and Purpose Chapter, the Plantation Upstream Indonesia Sub-Section Policy on Social Policy point 1 states that all staff / employees must be treated fairly and fairly in matters relating to recruitment, progress, conditions and description of employment, regardless of race, degree, ethnicity, gender, skin color, imperfection (disability), sexual orientation, organizational membership, political views, religion, and age.

Document review shows an example of employee recruitment that applies to the public with requirements according to procedures, such as employee to become new employees in harvesting activities. Also included in the letter are other supporting documents such as a certificate, family card, occupational health check letter, self-identity and other supporting certificates.

Public consultations with agencies and worker unions stated that there were no cases of discrimination in obtaining employment opportunities.

**6.8.2 & 6.8.3**



The process of selection, recruitment and promotion of workers can be shown. In the SOP of Human Resources management owned by the company it can be seen that the process has been based on the expertise, capacity, quality and medical health of prospective workers / labor. The company has a policy to recognize opportunities and equal treatment (Policy No. 724 / TQEM-SPMS / 09 dated December 2, 2011) which states that all staff / employees must be treated fairly and fairly in matters relating to recruitment, progress, conditions and job descriptions, regardless of race, degree, ethnicity, gender, colour, imperfection, sexual orientation, organizational membership, political views, religion, and age.

Based on interviews with contractors and local workers who are local communities, said that community members around the company interviewed explained that the company had provided equal opportunities to local and migrant communities to receive employees according to their respective skills.

Based on interview with engine room TBF admitted that they had no complaints about job risk or suspected discrimination in the company. The workers come from various backgrounds (heterogeneous).

**Status: Comply**

**6.9  
There is no harassment or abuse in the work place, and reproductive rights are protected.**

**6.9.1, 6.9.2 & 6.9.3.**

Company has the Policy to prevent sexual harassment on Policy No. 724/TQEM-SPMS/09 dated 27th August 2010), which enforces policies to protect women workers from crimes, sexual harassment and to protect rights related to reproduction. Documents are presented in an easily understandable Indonesian format and available at the audit site. These policies are documented and communicated to workers. Gender Committee has been formed with the organizational structure.

There are regulations concerning female menstruation leave as much as 2 days/month with a medic examination, as well as maternity leave 1.5 months before giving birth and 1.5 months after birth with the calculation of a doctor's examination. The CH's procedure of Handling of Complaints and Grievances assured the anonymity of the reporting and the revealed of the case.

The results of interviews with representatives of gender committee explained that the company has a policy that has been implemented for reproductive health rights, for example company policies that provide H1 leave rights for 2 days every month automatically without deducting daily wages. But there are some differences in information regarding the provision of H1 policy to workers. This is an improvement for the company to ensure the provision of understanding regarding the H1 Leave Policy for all female workers. **OFl.**

**Status: Comply**

**6.10  
Growers and mills deal fairly and transparently with smallholders and other local businesses.**

**6.10.1; 6.10.2; 6.10.3; and 6.10.4**

Certificate Holders only process FFB originating from their own estate and do not receive FFB from the outside so there is no need to have a mechanism and conduct FFB pricing. The type of collaboration with contractors carried out by PT BNS is replanting.

Examples of cooperation with other parties include in accordance with the Work Agreement No: 012 / SPK / BNS-TBE / X / 2017 between PT Bhumireksa Nusasejati and PT Mitra Karya Jaya Perdana about the planting point work. Agreement has explained about the scope of work, the period of execution of work, volume of work, price, payment, and sanctions. The letter is made in two copies and each party has agreed to the contents of the agreement marked with a signature

Based on interviews with PT Mitra Karya Jaya Perdana contractor representatives revealed that the information contained in the cooperation agreement letter had been clearly and equally agreed upon.

In accordance with the Work Agreement, each work payment is made through a bank transfer, for example for the planting plant work period of December 2017. Transfer through Bank Danamon on January 16, 2018. Payment nominal is in accordance with the billing nominal. The results of interviews with contractor representatives (PT Mitra Karya Jaya Perdana) are known in the event that payments have been made in accordance with a mutually agreed work agreement

**Status: Comply**

**6.11  
Growers and millers contribute to local sustainable development wherever appropriate.**

**6.11.1**  
The company has compiled a CSR budget estimates for the period 2017-2018, categorize into five groups of items, namely: education program, donations, health, infrastructure and development, economic empowerment. In the preparation for CSR programme has

involved the local community, when company determined CD/CSR priorities. Local development needs and priorities have been identified in consultations conducted with local communities by sending proposals to companies regarding the needs of the community at that time.

Detail of realization CSR report can be shown for year 2017-2018 have been implemented.

Community members from community Village, who were interviewed by the auditors, admitted that the community around the company was pleased with the results of the company's consultations related to CSR. In addition, the company has also provided work opportunities openly to local communities. This can be seen from the list of employees, some of whom are residents of villages around the company.

**6.11.2.**  
Based on the results of the examination of documents and interviews with the management representatives it is known, that the company did not carry out plantation development activities with a plasma scheme.

**Status: Comply**

**6.12  
No forms of forced or trafficked labour are used.**

**6.12.1, 6.12.2, and 6.12.3**

Based on field observation in sample location during this audit, auditor found that there is no evidence for forced or trafficked labor, and contract substitution is used. The CH's covered policy related prohibits forced or bonded labor or debt bondage and take steps to prevent it. The procedures related to human resources management shows that every worker has a work agreement that describe specific job description. Based on employee list, field observation and interview with workers, Labor Unions, and Manpower Agency known that there is no migrant workers, forced labor. Every worker has a work agreement that describe specific job description, there is no substitution of contract without prior consultation and agreement from the worker.

**Status: Comply**

**6.13  
Growers and millers respect human rights**

**6.13.1**  
Minamas Plantation Group is committed to protect all kinds of employee rights, whereas the human rights policy towards human rights protection was presented in Chief of SOU-19 Memorandum dated July 31<sup>st</sup> 2015. The Policy has distributed through Letter No. IST/TBE/VIII/2015 dated August 5<sup>th</sup> 2015, such as Rights of life, for marry and continue the offspring, self-development, justice, of personal freedom, secure, of prosperity, Rights to be participated in government, women rights, and child rights. Based on interviews with workers known that the company has socialized company policies regularly including policies on human rights. Socialization is done by sticking to the policy in offices, socializing in the housing and socialization to workers during the morning briefing before the activities started.

**Status: Comply**

**PRINCIPLE #7 Responsible development of new plantings**

**7.1  
A comprehensive and participatory independent social and environmental assessment is undertaken prior to establishing new plantings or operations, or expanding existing ones, and the results incorporated into planning, management and operations.**

**7.1.1 & 7.1.2**  
Up to the current audit, PT BNS did not expand the new plantation. There is only replanting activity that began in 2012.

**Status: Comply**

**7.2  
Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations.**

**7.2.1**  
Certificate Holder has semi-detailed land survey documents for the period 2018 - 2023 conducted by Param Agricultural sdn Bhd. In addition there is a 2017 peat drainability study made by Minamas Research Center. The soil type based on the document is Typic

Haplohemist (94.4%) and Typic Sulfihemist (5.6%)

Peat Depth Survey Report in 2011 explain the land criteria found at PT .BNS identified into <3m peat covering 47% of the total area, peat depth> 3m covering 53% of the total area, the type of peat is Saprik peat and Hemik with substratum layer (mineral layer) under peat is clay, Silty Clay and Clay loam.

**7.2.2**

Based on the Semi Detail Soil Map, it is known that the area of PT.BNS is included in the flat area (0-4°). During the field visit on TBE, NLE and NPE, it was known that the entire area owned was flat.

**Status: Comply**

**7.3**

**New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.**

**7.3.1; 7.3.2; 7.3.3; 7.3.4 and 7.3.5.**

Up to the current audit, PT BNS did not expand the new plantation. There is only replanting activity that began in 2012.

Sime Darby resubmitted LUCA to the RSPO secretariat on August 27, 2018. Sime Darby also sent an e-mail dated September 5, 2018 stating that "Meantime we have not received LUCA review of outcomes for the 5 completed submissions (as per the updates in the email below), and we have all the remaining shape files to RSPO office (on 27 Aug 2018)". However, there has been no response to LUCA that has been submitted.

**Status: Comply**

**7.4**

**Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.**

**7.4.1 & 7.4.2**

In accordance with the results of the semi-detailed Soil survey period 2018 - 2023, it is known that the entire operational area of PT BNS is a peat with maximum slope of 4° (Flat). In semi-detailed soil surveys, it has been completed with maps of soil type and slope of land (Scale 1: 50,000). There is also a map of peat depth contained in the 2011 peat depth survey document

The Certificate Holder's strategy in planting on peatland is by conducting a Semi-Detail Soil Survey, Peat depth survey, and Peatland Drainability Study to find out whether the cultivated peatland is suitable for long-term planting. Overall, the three documents state that peatland in the PT BNS area is still suitable for long-term planting

**Status: Comply**

**7.5**

**No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.**

**7.5**

PT BNS does not conduct new land clearing or expand of operational areas. Since 2012 the company has only carried out replanting activities.

**Status: Comply**

**7.6**

**Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.**

**7.6**

PT BNS does not conduct new land clearing or expand of operational areas. Since 2012 the company has only carried out replanting activities.

**Status: Comply**

**7.7**

**Use of fire in the preparation of new plantings is avoided other than in specific situations, as identified in the ASEAN guidelines or other regional best practice.**

<b>7.7.1 &amp; 7.7.2</b>	
Up to the current audit, PT BNS did not expand the new plantation. There is only replanting activity that began in 2012.	
	<b>Status: Comply</b>
<b>7.8</b>	
<b>New plantation developments are designed to minimise net greenhouse gas emissions.</b>	
<b>7.8.1 &amp; 7.8.2</b>	
Up to the current audit, PT BNS did not expand the new plantation. There is only replanting activity that began in 2012.	
	<b>Status: Comply</b>
<b>PRINCIPLE #8 Commitment to continuous improvement in key areas of activity</b>	
<b>8.1</b>	
<b>Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.</b>	
<b>8.1</b>	
<u>Social Impact</u>	
CH has compiled a social impact management plan and has demonstrated the implementation of the social impact management plan in accordance with the results of the identification of social impacts.	
<u>Environmental Impacts</u>	
The CH has undertaken environmental management and monitoring activities in accordance with its environmental document matrix. CH will continue to make efforts to reduce waste and pollution, such as boiler, and generator emission testing, reducing the use of diesel fuel and replacing it with shells and fibre for boiler and etc.	
	<b>Status: Comply</b>

3.2 Summary of Assessment Report of Supply Chain Requirement

3.2.1. General chain of custody requirements for the supply chain

Clause	Requirement
5.1	<b>Applicability of the general chain of custody requirements for the supply chain</b>
5.1.1	<p>The General Chain of Custody requirements of the RSPO Supply Chain Standard shall apply to any organization throughout the supply chain that takes legal ownership and physically handles RSPO Certified Sustainable oil palm products at a location under the control of the organization including outsourced contractors. After the end product manufacturer, there is no further requirement for certification.</p> <p>Question: Does the organization take legal ownership and physically handles RSPO Certified Sustainable oil palm products at their premises or through the outsourcers?</p> <p>The mill take legal ownership for all FFB within its scope, as well all phisically handling.</p>
	<b>Status: Comply</b>
5.1.2	<p>Traders and distributors require a license obtained from RSPO Secretariat to sell RSPO certified product but do not themselves require certification. When selling RSPO certified products, a licensed trader and/or distributor shall pass on the certification number of the product manufacturer and the applicable supply chain model.</p> <p>Question: Is the organization buying from RSPO licensed traders who pass the certification number of the product manufacturer and the applicable supply chain model?</p> <p>The mill does not use traders and distributors. All of selling certified product has been done by the mill.</p>
	<b>Status: Comply</b>
5.1.3	<p>Either the operator at site level or its parent company seeking certification shall be a member of the RSPO and shall register on the RSPO IT platform.</p> <p>Question: Is the site level or its parent company a member of RSPO and registered on RSPO IT platform?</p> <p>RSPO IT Platform member registration number: <b>RSPO_PO1000000318</b></p>
	<b>Status: Comply</b>
5.1.4	<p>Processing aids do not need to be included within an organization's scope of certification.</p> <p>Question: Is the site level or its parent had a processing aids?</p> <p>There is no processing aids in the operational TBF.</p>
	<b>Status: Comply</b>
5.2	<b>Supply chain model</b>
5.2.1	<p>The site can only use the same supply chain model as its supplier or go to a less strict system. Declassification/downgrading can only be done in the following order: Identity Preserved -&gt; Segregated -&gt; Mass Balance.</p> <p>Question: Has the organization applied the Supply Chain Model correctly?</p> <p>Based on verification document and interview with weighbridge operator, Teluk Bakau Factory (TBF) only received and processed FFB from own plantation and other certificate scope. The FFB supplied from own estate; consist of Teluk Bakau Estate, Nusa Perkasa Estate, Nusa Lestari Estate and from other certificate scope consist of Mandah Estate and Rotan</p>

Semelur Estate. Based on explanation above, TBF apply the requirements of SCCS Module D (IP).	
	<b>Status: Comply</b>
<b>5.2.2</b>	
The site can use one (1) or a combination of supply chain models as audited and certified by the CB.	
Question: Has the organization applied a combination of Supply Chain Model correctly?	
TBF just apply one supply chain models which is Identity Preserved (IP)	
	<b>Status: Comply</b>
<b>5.3</b>	<b>Documented procedures</b>
<b>5.3.1</b>	
The site shall have written procedures and/or work instructions or equivalent to ensure the implementation of all elements of the applicable supply chain model specified.	
Questions : Documented procedures established and covering all provisions following:	
<ul style="list-style-type: none"> <li>o Complete and up to date procedures covering the implementation of all the elements of the supply chain model requirements.</li> <li>o Complete and up to date records and reports that demonstrate compliance with the supply chain model requirements (including training records).</li> <li>o Identification of the role of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the organization's procedures for the implementation of this standard.</li> </ul>	
The Certificate Holder has RSPO SCCS Manual- RSPO Supply Chain Certification Standard No. SCCS-Std/RSPO/PSQM/02 dated on 02 January 2018. The scope of RSPO Supply Chain System: FFB Certificate processing from raw material acceptance to storage and delivery process produces Certified Sustainable Palm Oil (CSPO) and CSPK with module D (IP) both physical and office administration. The summary of this procedure were explain on below points:	
4.2.1. The procedure is documented	
4.2.2. Internal audits are conducted at least annually to ensure: the organization complies with RSPO SCCS requirements and RSPO Market Communication & Claim documents. Where the internal audit is done at least 2 months before the external audit. The internal audit results are included in the management review conducted at least once a year.	
4.3. The Mill ensures the purchase of incoming goods, however the marketing division in Jakarta's is responsible for checking the validity of supplier certificates, licenses for traders and distributors.	
4.3.2. The Unique code/ unique identification number aims to ensure that products are sold through quality tests and can be traced back to the beginning of the process.	
4.5. Third party activities (outsourcing)	
4.6. Sales and goods out	
Units that need to make announcements and trade confirmations in the RSPO IT Platform, this should also include making shipping announcements (each shipment/shipping group by the marketing division). Certified products sold through other schemes or conventional means or in case of lack of production, lost or damaged shall be removed.	
4.8. Training→ The training plan for RSPO SCCS requirements process should be reviewed continuously/annually.	
4.9. The record keeping	
The record keeping of all documents are minimum 10 years for financial report documents and transactions; and minimum 2 years for data other than financial documents.	
4.10 Conversion Factor	
Conversion value is determined by marketing division in Jakarta, based on data sent by Mill on the basis of the resulting of FFB processing, so that the conversion value obtained is the same as the actual obtained by the Mill, and the conversion reference by marketing follows the mill manager monthly report period.	
4.11. Claim pursuant to RSPO communication and claim.	
4.12. Complaint	
Stakeholders may complain by email or face directly to the management representative. The complaint should be handled no later than one month after the complaint is received. Especially for complaints related to salary rights, incentive benefits, product complaints, and payments is should be acted upon no later than 14 days after the complaint has been received. All complaints and responses should be recorded.	

4.13.	<p><b>Management review</b>  Management review plan is established: after internal audit, before external audit checks and minimally done once in twelve months /one year.  Input for management review should include information: internal audit results of SCCS requirements, production achievements, customer feedback, preventive and corrective action status, follow up on review management, changes that may affect system management and improvement recommendations.</p>
	<p><b>Status: Comply</b></p>
<p><b>5.3.2</b>  The site shall have a written procedure to conduct annual internal audit</p>	
<p><b>Question :</b>  Documented annual internal audit procedures established and covering all provisions :  i) Conforms to the requirements in the RSPO Supply Chain Certification Standard and the RSPO Market Communications and Claims Documents.  ii) Effectively implements and maintains the standard requirements within its organization.</p>	
<p>Internal Audit procedure has been include on SOP of RSPO SCCS Manual- RSPO Supply Chain Certification Standard No. SCCS-Std/RSPO/PSQM/02 dated on 02 January 2018 which describes Internal audits are conducted at least annually to ensure: the organization complies with RSPO SCCS requirements and RSPO Market Communication &amp; Claim documents. Where the internal audit is done at least 2 months before the external audit. The internal audit results are included in the management review conducted at least once a year.</p> <p>CH can show the result of internal audit conducted on 14 September 2018 In the Audit Report document, it is known that the mill has performed an internal audit using SCCS standard (General COC and Module D). There are 11 non-compliance for example invoice document and has been comply on September 2018.</p>	
	<p><b>Status: Comply</b></p>
<b>5.4</b>	<b>Purchasing and goods in</b>
<p><b>5.4.1</b>  The receiving site shall ensure that purchases of RSPO certified oil palm products are in compliance and the following minimum information for RSPO certified products is made available by the supplier</p>	
<p><b>Question :</b>  All RSPO product information is provided by suppliers in accordance with :</p> <ul style="list-style-type: none"> <li>• The name and address of the buyer;</li> <li>• The name and address of the seller;</li> <li>• The loading or shipment / delivery date;</li> <li>○ The date on which the documents were issued;</li> <li>○ A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations);</li> <li>○ The quantity of the products delivered;</li> <li>○ Any related transport documentation;</li> <li>○ Supply Chain certificate number of the seller;</li> <li>○ A unique identification number</li> <li>○ Information shall be complete and can be presented either on a single document or across a range of documents issued for RSPO certified oil palm products (for example, delivery notes, shipping documents and specification documentation).</li> <li>○ The site receiving RSPO certified oil palm products shall ensure that the products are verified as being RSPO certified. For sites that are required to announce and confirm trades in the RSPO IT platform, this shall include making Shipping Announcements/Announcements and Confirmations on the RSPO IT platform per shipment or group of shipments. Refer to section 5.7.1 of this document for further guidance.</li> <li>○ A check of the validity of the Supply Chain Certification of suppliers is required for all sites that are SC certified. This</li> </ul>	

<p>shall be checked via the list of RSPO Supply Chain Certified sites on the RSPO website (<a href="http://www.rspo.org">www.rspo.org</a>) at least annually or through the RSPO IT Platform by confirmation of (shipping) announcements.</p> <p>○ The validity of license for traders and distributors shall also be checked via the RSPO website at least annually or through the RSPO IT platform by confirmation of shipping announcements/announcements.</p>	
<p>TBF does not purchase RSPO certified oil palm products. TBF is the producer of RSPO certified oil palm products</p>	
	<p><b>Status: Comply</b></p>
<p>5.4.2 The site shall have a mechanism in place for handling non-conforming oil palm products and/or documents</p>	
<p>Question : Has the organization established mechanism in place for handling non-conforming oil palm products and/or documents?</p>	
<p>TBF does not purchase RSPO certified oil palm products. TBF is the producer of RSPO certified oil palm products</p>	
	<p><b>Status: Comply</b></p>
5.5	<p><b>Outsourcing activities</b></p>
<p>5.5.1 In cases where an operation seeking or holding certification outsources activities to independent third parties (e.g. subcontractors for storage, transport or other outsourced activities), the operation seeking or holding certification shall ensure that the independent third party complies with the requirements of the RSPO Supply Chain Certification Standard. A CPO mill and independent mill cannot outsource processing activities like refining or crushing.</p>	
<p>Question : Are the outsourcers RSPO certified?</p>	
<p>TBF doesn't outsource refining and crushing activity. The company uses third party contractors for CPO &amp; PK transportation activities.</p>	
	<p><b>Status: Comply</b></p>
<p>5.5.2 Sites which include outsourcing within the scope of their RSPO Supply Chain certificate shall ensure the following:</p> <ol style="list-style-type: none"> <li>The site has legal ownership of all input material to be included in outsourced processes;</li> <li>The site has an agreement or contract covering the outsourced process with each contractor through a signed and enforceable agreement with the contractor. The onus is on the site to ensure that certification bodies (CBs) have access to the outsourcing contractor or operation if an audit is deemed necessary.</li> <li>The site has a documented control system with explicit procedures for the outsourced process which is communicated to the relevant contractor.</li> <li>d) The site seeking or holding certification shall furthermore ensure (e.g. through contractual arrangements) that independent third parties engaged provide relevant access for duly accredited CBs to their respective operations, systems, and any and all information, when this is announced in advance</li> </ol>	
<p>Question : Has the site established outsourcing procedures, agreement and keeps legal ownership of the products during the outsourcing</p>	
<p>The company uses the contractor for the transportation of CPO and PK from the factory which is equipped with a Work Agreement letter, for example Fixture Note No. 06/LGL-MCM/JMI/BLW/V/2018 dated May 26, 2018 concerning the CPO transportation agreement with PT Mitsi Citra Mandiri, the contract just apply for one work.</p>	
	<p><b>Status: Comply</b></p>
<p>5.5.3 The site shall record the names and contact details of all contractors used for the processing or physical handling of RSPO certified oil palm products.</p>	
<p>Question : Has the site maintained names and contact details of all outsourcers?</p>	
<p>The Certificate Holder has record names and contact details of all contractors on document of "Daftar List Kontraktor CPO &amp; PK", consist of:</p> <ul style="list-style-type: none"> <li>PT Misti Citra Mandiri as CPO transporter.</li> <li>PT Trans Samudera Mandiri as CPO transporter.</li> </ul>	



	<ul style="list-style-type: none"> <li>• PT Sinar Pagoda as PK transporter.</li> <li>• PT Alam Raya Indonesia as PK Transporter</li> <li>• PT Transindo Bahari Perkasa as PK Transporter</li> <li>• PT Pelayaran PJ Marine as CPO Transporter</li> </ul>
	<p><b>Status: Comply</b></p>
<p><b>5.5.4</b></p>	<p>The site shall at its next audit inform its CB of the names and contact details of any new contractor used for the processing or physical handling of RSPO certified oil palm products</p>
	<p><b>Question : Has MUTU informed about any new outsourcers?</b></p>
	<p>Based on document of “<i>Daftar List Kontraktor CPO &amp; PK</i>”, there is 6 contractors to transport CPO and PK. It will be verified on next surveillance, if any new contractor.</p>
	<p><b>Status: Comply</b></p>
<p><b>5.6</b></p>	<p><b>Sales and goods out</b></p>
<p><b>5.6.1</b></p>	<p>The supplying site shall ensure that the following minimum information for RSPO certified products is made available in document form: The name and address of the buyer</p>
	<p><b>Question :</b> All RSPO product information is provided by the organisation in accordance with :</p> <ul style="list-style-type: none"> <li>• The name and address of the seller;</li> <li>• The loading or shipment / delivery date;</li> <li>• The date on which the documents were issued;</li> <li>• A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations);</li> <li>• The quantity of the products delivered;</li> <li>• Any related transport documentation;</li> <li>• Supply chain certificate number of the seller;</li> <li>• A unique identification number.</li> <li>• Information shall be complete and can be presented either on a single document or across a range of documents issued for RSPO certified oil palm products</li> <li>• For sites that are required to announce and confirm trades in the RSPO IT platform, this shall include making Shipping Announcements / Announcements and Confirmations on the RSPO IT platform per shipment or group of shipments. Refer to section 5.7.1 of this document for further guidance.</li> </ul>
<p><b>CPO</b></p>	<p>Information relating to the sale of CSPO are listed in the document:</p>
	<ul style="list-style-type: none"> <li>• Delivery Order that explains the quantity, quality target, name of the seller and buyer, loading plan. For example DO no. 00384/00264/06/18/L-BNS-MKS dated June 02, 2018 which explained the quantity of 1,700 tons CPO, Moisture and Impurities targets of 0.5%, FFA target of 5%, sellers is PT BNS, Buyers PT Golden Hope Nusantara, loaded date June 03-06, 2018.</li> <li>• “<i>Berita Acara Pemuatan CPO</i>” that explains the name and address of the seller &amp; buyer, quality, the quantity, SCCS model, No. certificate, No. DO. For example “<i>Berita Acara Pemuatan CPO</i>” No. 13/BNS-TBF//BAP-CPO/VI/2018 dated June 6, 2018; the number of CPO is 1,618,919 Kg; Supply Chain Identity Preserved model; No. certificate MUTU-RSPO/008; No. Contract 00384/00264/06/18/L-BNS-MKS; name &amp; location of buyer is PT Golden Hope Nusantara at Sungai Taib- Pulau Laut.</li> </ul>
<p><b>PK</b></p>	<p>Information relating to the sale of CSPK are listed in the document:</p>
	<ul style="list-style-type: none"> <li>• Delivery Order that explains the quantity, quality target, name of the seller and buyer, loading plan. For example DO no. 00237/00150/01/18/L-BNS-IKS dated January 18, 2018 which explained the quantity of 293 tons PK, Moisture and Impurities targets of 8%, sellers is PT BNS, Buyers PT ADEI Plantation &amp; Industry, loaded date January 18-31, 2018.</li> <li>• “<i>Berita Acara Pemuatan Inti Kelapa Sawit</i>” that explains the name and address of the seller &amp; buyer, quality, the</li> </ul>

quantity, SCCS model, No. certificate, No. DO. For example "Berita Acara Pemuatan Inti Kelapa Sawit" No. 08/BNS/TBF-MDF/BAP-IKS//2018 dated January 18, 2018; the number of PK is 293,208 Kg; Supply Chain Identity Preserved model; No. certificate MUTU-RSPO/008; No. Contract 00237/00150/01/18/L-BNS-IKS; name & location of buyer is PT Adei Plantation & Industry at Dumai.

Status: Comply

5.7 Registration of transactions

5.7.1

Supply chain actors who:

- are mills, traders, crushers and refineries; and
- take legal ownership and/or physically handle RSPO Certified Sustainable oil palm products that are available in the yield scheme of the RSPO IT Platform (Figure 2 and 3, refer Annex 1) shall register their transaction in the RSPO IT platform and confirm upon receipt where applicable

Question :

Has the organization registered their transactions in the RSPO IT platform? (mills, traders, crushers and refineries only)

RSPO IT Platform member registration number: **RSPO\_PO1000000318**.

All transaction of RSPO certified oil palm products has been registered in RSPO IT Platform (see indicator SCCS 5.7.2).

Status: Comply

5.7.2

The involved supply chain actors mentioned in 5.7.1 shall do the following actions in the RSPO IT Platform:

- Shipping Announcement / Announcement: When RSPO certified volume is sold as certified, the volumes of products that are in the yield scheme (Figure 2 and 3, refer Annex 1) shall be registered as a Shipping Announcement / Announcement in the RSPO IT Platform. The declaration time to do Shipping announcement / Announcement is based on members' own standard operating procedures.
- Trace: When RSPO certified volumes are sold as RSPO certified to actors in the supply chain beyond the refinery, the volume shall be traced at least annually. Tracing triggers the generation of a trace document with a unique traceability number. Tracing can be done in a consolidated way at least annually.
- Remove: RSPO certified volumes sold under other scheme or as conventional, or in case of underproduction, loss or damage shall be removed.
- Confirm: Acknowledge the purchase of RSPO certified volume by confirming Shipping Announcements / Announcements.

Question :

Did the organization correctly perform the applicable actions on RSPO IT Platform?

The TBF has been take action at RSPO IT Platform with the data:

- Certified CPO sold to each buyer period of 01 March 2018 to 08 October 2018 (Period of License on Palmtrace)

Date	Buyer	Volume
15/08/18	PT Golden Hope Nusantara	1,618.92
24/05/18	PT Golden Hope Nusantara	1,502.71
16/05/18	PT Golden Hope Nusantara	1,802.98
06/04/18	PT Golden Hope Nusantara	2,008.62
06/04/18	PT Golden Hope Nusantara	1,704.18
06/04/18	PT Golden Hope Nusantara	1,886.62
<b>Total</b>		<b>10,524.03</b>

- Certified Palm Kernel sold to each buyer period of 01 March 2018 to 08 October 2018 (Period of License on Palmtrace)

Date	Buyer	Volume
01/10/18	PT ADEI Plantation & Industry,	299.23

	Mandau Kernel Crushing Plant	
01/10/18	PT ADEI Plantation & Industry, Mandau Kernel Crushing Plant	498.82
01/10/18	PT ADEI Plantation & Industry, Mandau Kernel Crushing Plant	508.5
20/03/18	PT ADEI Plantation & Industry, Mandau Kernel Crushing Plant	300.26
20/03/18	PT ADEI Plantation & Industry, Mandau Kernel Crushing Plant	290.14
<b>Total</b>		<b>1,896.95</b>

All transactions have been shown in shipping announcement, for example Shipping Announcement no. TR-2cf8cce2-f999 dated 15 August 2018 related to the sale of CPO of 1,618.92 tons to PT Golden Hope Nusantara.

Based on the sales recap of CPO & PK and Data of Shipping Announcement, there are differences in physical delivery data with registration data on palmtrace, including: **Non-conformance No. 2018.03 with Major Category**

- For shipping PK with Contract No. 00152 / BNS / KTR-IKS / LOK / III / 2018, the amount in the Shipping Announcement No. TR-e782ce62-0f8b is 508.5 tons while the sales recap is 250.68 tons.
- For shipping PK with Contract No. 00154 / BNS / KTR-IKS / LOK / IV / 2018, the amount in Shipping Announcement No. TR-521686f3-57fb as much as 498.82 tons while the sales recap of 379.04 tons.
- There is no PK sales record with Shipping Announcement No. TR-9a6f3fc2-ef8e with a total PK of 299.23 tons (Contract No. 00157 / BNS / KTR-IKS / LOK / V / 2018)

**Status: Non-conformance No. 2018.03 with Major Category**

**5.8 Training**

**5.8.1**

The organization shall have a training plan on RSPO Supply Chain Standards requirements, which is subject to on-going review and is supported by records of the training provided to staff

**Question :**

**Has the organization established RSPO training plan?**

Mill has Training Program in 2018 that contain the training program of SCCS planned on March 2018.

**Status: Comply**

**5.8.2**

Appropriate training shall be provided by the organization for personnel carrying out the tasks critical to the effective implementation of the supply chain certification standard requirements. Training shall be specific and relevant to the task(s) performed

**Question :**

**Has the organization Delivered Effective RSPO training?**

Based on interviews with Weight Bridge Operator and logistic officer, it is known that the personnel have been aware of the duties and responsibilities related to the implementation of supply chain, for example the weighbridge officer can explain that the mill cannot accept the FFB from other source and all weighing tickets for CPO and Kernel must be given the RSPO stamp.

The company showed proof of SCCS training to TBF employees conducted on July 17, 2018 with a total of 23 employees (mill staff, weighbridge operator, production clerk) and training CPO and PK transport contractors has been conduct on September 8, 2018 to 4 contractors.

	<b>Status: Comply</b>			
<b>5.9</b>	<b>Record keeping</b>			
<b>5.9.1</b>				
The organization shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these RSPO Supply Chain Certification Standard requirements				
Question :				
All records are accurate, complete, up-to-date and accessible?				
Based on RSPO SCCS Manual- RSPO Supply Chain Certification Standard No. SCCS-Std/RSPO/PSQM/02 dated on 02 January 2018 which explains that record keeping all of documents are minimum 10 years for financial report documents and transactions; and minimum two years for data other than financial documents.				
	<b>Status: Comply</b>			
<b>5.9.2</b>				
Retention times for all records and reports shall be a minimum of two (2) years and shall comply with legal and regulatory requirements and be able to confirm the certified status of raw materials or products held in stock				
Question :				
All records are kept for minimum two years and comply with legal and regulatory requirements?				
Based on RSPO SCCS Manual- RSPO Supply Chain Certification Standard No. SCCS-Std/RSPO/PSQM/02 dated on 02 January 2018 which explains that record keeping all of documents are minimum 10 years for financial report documents and transactions; and minimum two years for data other than financial documents.				
	<b>Status: Comply</b>			
<b>5.9.3</b>				
The organization shall be able to provide the estimate volume of palm oil / palm kernel oil content (separate categories) in the RSPO certified oil palm product and keep an up to date record of the volume purchased (input) and claimed (output) over a period of twelve (12) months.				
Question :				
For all palm oil / palm kernel oil volumes purchased (input) and claimed (output) records kept over a period of twelve (12) months.?				
Estimates of CPO and PK produced by TBF obtained from the actual data of 12 months before the audit activities and have been described in this ASA-1.2 report, consist of: FFB: 104,907 ton CPO: 23,604 ton (OER: 22.5%) PK: 4,721 ton (KER: 4.5 %)				
The Teluk Bakau Factory has a monitoring report for RSPO certified product (CPO & PK).				
	<b>CPO</b>			
<b>Month</b>	<b>Production (Kg)</b>	<b>Sold (Kg)</b>		
	Certified	Non-Certified	Certified	Conventional
October 2017	2,005,086		2,000,478	
November 2017	1,676,271		1,501,622	
December 2017	1,631,386		2,000,021	
January 2018	1,896,385		1,712,311	
February 2018	1,404,369		1,891,097	
March 2018				

	1,713,412		1,509,874	
April 2018	1,375,914		1,804,789	
May 2018	1,957,065		-	
June 2018	1,464,837		3,908,463	
July 2018	2,308,697		-	
August 2018	2,296,980		1,000,589	
September 2018	1,973,974		2,283,537	
<b>Total</b>	<b>21,704,376</b>		<b>19,612,781</b>	

Month	PK			
	Production		Sold	
	Certified	Non-Certified	Certified	Conventional
October 2017	404,781		642,415	
November 2017	332,946		-	
December 2017	332,487		350,003	
January 2018	438,359		293,208	
February 2018	302,476		306,000	
March 2018	366,668		552,664	
April 2018	280,196		-	
May 2018	391,453		379,045	
June 2018	263,180		598,808	
July 2018	421,260		292,000	
August 2018	455,404		290,479	
September 2018	445,813		440,000	
<b>Total</b>	<b>4,435,023</b>		<b>4,144,622</b>	

**Status: Comply**

**5.10 Conversion factors**

**5.10.1**

Where applicable a conversion rate shall be applied to provide a reliable estimate for the amount of certified output available from the associated inputs. Organizations may determine and set their own conversion rates which shall be based upon past experience, documented and applied consistently. Guidance on conversion rates is published on the RSPO website ([www.rspo.org](http://www.rspo.org)); RSPO Rules for Physical Transition of Oleochemicals and its Derivatives. This is relevant for derivatives of Palm Oil and Palm Kernel Oil, as used in the oleochemical and personal care industries

Question : Conversion rates applied accurately?	
TBF only performs FFB processing up to CPO and PK. Based on RSPO SCCS Manual, it is explained that the conversion factors of CPO and PK are based on actual extraction.	
	<b>Status: Comply</b>
5.10.2 Conversion rates shall be periodically updated to ensure accuracy against actual performance or industry average if appropriate.	
Question : Conversion rates periodically updated?	
TBF only performs FFB processing up to CPO and PK. Based on RSPO SCCS Manual, it is explained that the conversion factors of CPO and PK are based on actual extraction.	
	<b>Status: Comply</b>
<b>5.11</b>	<b>Claims</b>
5.11.1 The site shall only make claims regarding the use of or support of RSPO certified oil palm products that are in compliance with the RSPO Rules on Market Communications and Claims.	
Question : Any communication to any stakeholder group / customers issued in accordance with RSPO Rules on Market Communications and Claims?	
Based on transaction report documents, all CSPO and CSPK submitted are in accordance with the applied supply chain model that is Identity Preserved.	
	<b>Status: Comply</b>
<b>5.12</b>	<b>Complaints</b>
5.12.1 The organization shall have in place and maintain documented procedures for collecting and resolving stakeholder complaints.	
Question : Documented procedures for stakeholders complaints established?	
Procedure for Receiving and Settlement of Complaints is include on RSPO SCCS Manual- RSPO Supply Chain Certification Standard No. SCCS-Std/RSPO/PSQM/02 dated on 02 January 2018. The person responsible for handling complaints is the Manager or the representative, such as an assistant and administration chief. The response to complain about the product must be followed up at least 14 days.	
The company shows document of CPO/PK Complain Book and Product Claim Book, based on the document there is a claim on 13 July 2018 from PT Nagamas Palmoil Lestari because of the CPO quality are under standard (moisture out of specification 1.29%).	
	<b>Status: Comply</b>
<b>5.13</b>	<b>Management review</b>
5.13.1 The organization is required to hold management reviews annually at planned intervals, appropriate to the scale and nature of the activities undertaken	
Question : Management reviews performed annually at planned intervals?	
The CH has RSPO SCCS Manual- RSPO Supply Chain Certification Standard No. SCCS-Std/RSPO/PSQM/02 dated on 02 January 2018 which explains that management review activity is done at least once a year.	
	<b>Status: Comply</b>
5.13.2 The input to management review shall include information on:	

- Results of internal audits covering RSPO Supply Chain Certification Standard.
- Customer feedback.
- Status of preventive and corrective actions.
- Follow-up actions from management reviews.
- Changes that could affect the management system.
- Recommendations for improvement.

Question :

Has all input required above has been included in the management review?

The CH shows Management Review Minutes conducted on September 14, 2018 with a total of 15 consist of staff and worker discussing the results of internal audits, discussion of operational quality, follow-up from previous review management to discussion of changes that could improve the quality management system.

**Status: Comply**

5.13.3

The output from the management review shall include any decisions and actions related to:

- Improvement of the effectiveness of the management system and its processes.
- Resource needs.

Question :

Has all output required above has been included in the management review?

The CH shows Management Review Minutes conducted on September 14, 2018 with a total of 15 consist of staff and worker discussing the results of internal audits, discussion of operational quality, follow-up from previous review management to discussion of changes that could improve the quality management system.

**Status: Comply**

3.2.2. Module D – CPO Mills: Identity Preserved Requirements

Clause	Requirement																					
D1	Definition																					
<p><b>D.1.1</b>  <b>A mill is deemed to be Identity Preserved (IP) if the FFB used by the mill are sourced from plantation/ estates that are certified against the RSPO Principles and Criteria (RSPO P&amp;C), or against the Group Certification scheme. Certification for CPO mills is necessary to verify the volumes and sources of certified FFB entering the mill, the implementation of any processing controls (for example, if physical separation is used), and volume sales of RSPO certified products. If a mill process certified and uncertified FFB without physically separating them, then only Module E is applicable.</b></p> <p>Based on verification document and interview with weighbridge operator, Teluk Bakau Factory (TBF) only received and processed FFB from own plantation and other certificate scope. The FFB supplied from own estate; consist of Teluk Bakau Estate, Nusa Perkasa Estate, Nusa Lestari Estate and from other certificate scope consist of Mandah Estate and Rotan Semelur Estate. Based on explanation above, TBF apply the requirements of SCCS Module D (IP).</p> <p><b>Status: Comply</b></p>																						
D.2	Explanation																					
<p><b>D.2.1</b>  <b>The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the certification body (CB) in the public summary of the P&amp;C certification report. For an independent mill, the estimated tonnage of CPO and PK products must be recorded in the RSPO IT platform, supply chain certificate and public summary audit report. This figure represents the total volume of certified oil palm product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced shall then be recorded in each subsequent annual surveillance report</b></p> <p>Estimates of CPO and PK produced by TBF obtained from the actual data of 12 months before the audit activities and have been described in this ASA-1.2 report, consist of:            FFB: 104,907 ton            CPO: 23,604 ton (OER: 22.5%)            PK: 4,721 ton (KER: 4.5 %)</p> <p><b>Status: Comply</b></p>																						
<p><b>D.2.2</b>  <b>The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform).</b></p> <p>The Teluk Bakau Factory - PT Bhumiperkasa Nusasejati has been registered of certified products of RSPO (CSPO and CSPK) with Member ID: RSPO_PO1000000318. The certified Crude Palm Oil (CPO) and Palm Kernel (PK) sold to each buyer are describe in table below.</p> <ul style="list-style-type: none"> <li><b>Certified CPO sold to each buyer period of 01 March 2018 to 08 October 2018 (Period of License on Palmtrace)</b></li> </ul> <table border="1"> <thead> <tr> <th>Date</th> <th>Buyer</th> <th>Volume</th> </tr> </thead> <tbody> <tr> <td>15/08/18</td> <td>PT Golden Hope Nusantara</td> <td>1,618.92</td> </tr> <tr> <td>24/05/18</td> <td>PT Golden Hope Nusantara</td> <td>1,502.71</td> </tr> <tr> <td>16/05/18</td> <td>PT Golden Hope Nusantara</td> <td>1,802.98</td> </tr> <tr> <td>06/04/18</td> <td>PT Golden Hope Nusantara</td> <td>2,008.62</td> </tr> <tr> <td>06/04/18</td> <td>PT Golden Hope Nusantara</td> <td>1,704.18</td> </tr> <tr> <td>06/04/18</td> <td>PT Golden Hope Nusantara</td> <td>1,886.62</td> </tr> </tbody> </table>		Date	Buyer	Volume	15/08/18	PT Golden Hope Nusantara	1,618.92	24/05/18	PT Golden Hope Nusantara	1,502.71	16/05/18	PT Golden Hope Nusantara	1,802.98	06/04/18	PT Golden Hope Nusantara	2,008.62	06/04/18	PT Golden Hope Nusantara	1,704.18	06/04/18	PT Golden Hope Nusantara	1,886.62
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<b>Total</b>	10,524.03
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- **Certified Palm Kernel sold to each buyer period of 01 March 2018 to 08 October 2018 (Period of License on Palmtrace)**

Date	Buyer	Volume
01/10/18	PT ADEI Plantation & Industry, Mandau Kernel Crushing Plant	299.23
01/10/18	PT ADEI Plantation & Industry, Mandau Kernel Crushing Plant	498.82
01/10/18	PT ADEI Plantation & Industry, Mandau Kernel Crushing Plant	508.5
20/03/18	PT ADEI Plantation & Industry, Mandau Kernel Crushing Plant	300.26
20/03/18	PT ADEI Plantation & Industry, Mandau Kernel Crushing Plant	290.14
<b>Total</b>		<b>1,896.95</b>

**Status: Comply**

**D.3 Documented procedures**

**D.3.1**

**The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall**

- a. Complete and up to date procedures covering the implementation of all the elements in these requirements;**
- b. The role of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site's procedures for the implementation of this standard.**

The Certificate Holder has RSPO SCCS Manual- RSPO Supply Chain Certification Standard No. SCCS-Std/RSPO/PSQM/02 dated on 02 January 2018. The scope of RSPO Supply Chain System: FFB Certificate processing from raw material acceptance to storage and delivery process produces Certified Sustainable Palm Oil (CSPO) and CSPK with module D (IP) both physical and office administration. The summary of this procedure were explain on below points:

4.2.1. The procedure is documented

4.2.2. Internal audits are conducted at least annually to ensure: the organization complies with RSPO SCCS requirements and RSPO Market Communication & Claim documents. Where the internal audit is done at least 2 months before the external audit. The internal audit results are included in the management review conducted at least once a year.

4.3. The Mill ensures the purchase of incoming goods, however the marketing division in Jakarta's is responsible for checking the validity of supplier certificates, licenses for traders and distributors.

4.3.2. The Unique code/ unique identification number aims to ensure that products are sold through quality tests and can be traced back to the beginning of the process.

4.5. Third party activities (outsourcing)

4.6. Sales and goods out

Units that need to make announcements and trade confirmations in the RSPO IT Platform, this should also include making shipping announcements (each shipment/shipping group by the marketing division). Certified products sold through other schemes or conventional means or in case of lack of production, lost or damaged shall be removed.

4.8. Training→ The training plan for RSPO SCCS requirements process should be reviewed continuously/annually.

4.9. The record keeping

The record keeping of all documents are minimum 10 years for financial report documents and transactions; and minimum 2 years for data other than financial documents.

4.10 Conversion Factor

Conversion value is determined by marketing division in Jakarta, based on data sent by Mill on the basis of the resulting of FFB processing, so that the conversion value obtained is the same as the actual obtained by the Mill, and the conversion reference by marketing follows the mill manager monthly report period.

- 4.11. Claim pursuant to RSPO communication and claim.
- 4.12. Complaint  
Stakeholders may complain by email or face directly to the management representative. The complaint should be handled no later than one month after the complaint is received. Especially for complaints related to salary rights, incentive benefits, product complaints, and payments is should be acted upon no later than 14 days after the complaint has been received. All complaints and responses should be recorded.
- 4.13. Management review  
Management review plan is established: after internal audit, before external audit checks and minimally done once in twelve months /one year.  
Input for management review should include information: internal audit results of SCCS requirements, production achievements, customer feedback, preventive and corrective action status, follow up on review management, changes that may affect system management and improvement recommendations.

Status: Comply

**D.3.2**

**The site shall have documented procedures for receiving and processing certified FFBs**

The procedure about acceptance and processing FFB has include in the RSPO SCCS Manual- RSPO Supply Chain Certification Standard No. SCCS-Std/RSPO/PSQM/02 dated on 02 January 2018. (see D.3.1).

Status: Comply

**D.4 Purchasing and goods in**

**D.4.1**

**The site shall verify and document the tonnage and sources of certified FFBs received.**

- Certified and non-certified FFB received period of October 2017 to September 2018

Month	FFB (Kg)		
	RSPO Certified	Non Certified	Total
October 2017	8,683,588		8,683,588
November 2017	7,328,158		7,328,158
December 2017	7,074,058		7,074,058
January 2018	8,221,543		8,221,543
February 2018	6,135,728		6,135,728
March 2018	7,575,164		7,575,164
April 2018	6,097,327		6,097,327
May 2018	8,634,650		8,634,650
June 2018	6,595,835		6,595,835
July 2018	10,324,760		10,324,760
August 2018	10,188,440		10,188,440
September 2018	9,585,910		9,585,910
<b>Total</b>	<b>92,476,457</b>		<b>92,476,457</b>

Status: Comply

**D.4.2**

**The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.**

In the previous certified (ASA-1.1) period December 01, 2016 until November 30, 2017, production of CSPO and CSPK does not exceed the RSPO certificate issued.

- CPO: 20,032.04 Ton → Total estimate in certificate is 24,730 Ton
- PK: 3,805.5 Ton → Total estimate in certificate is 4,301 Ton

For this period (ASA-1.2) from December 01, 2017 until October 08, 2018, TBF production of CSPO and CSPK does not exceed the RSPO certificate issued.

- CPO: 18,382.76 Ton → Total estimate in certificate is 29,264 Ton
- PK: 3,781.20 Ton → Total estimate in certificate is 5,089 Ton

**Status: Comply**

**D.5 Record keeping**

**D.5.1**

**The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis.**

The Teluk Bakau Factory has a monitoring report for RSPO certified product (CPO & PK).

Month	CPO			
	Production (Kg)		Sold (Kg)	
	Certified	Non-Certified	Certified	Conventional
October 2017	2,005,086		2,000,478	
November 2017	1,676,271		1,501,622	
December 2017	1,631,386		2,000,021	
January 2018	1,896,385		1,712,311	
February 2018	1,404,369		1,891,097	
March 2018	1,713,412		1,509,874	
April 2018	1,375,914		1,804,789	
May 2018	1,957,065		-	
June 2018	1,464,837		3,908,463	
July 2018	2,308,697		-	
August 2018	2,296,980		1,000,589	
September 2018	1,973,974		2,283,537	
<b>Total</b>	<b>21,704,376</b>		<b>19,612,781</b>	

Month	PK			
	Production		Sold	
	Certified	Non-Certified	Certified	Conventional
October 2017	404,781		642,415	
November 2017	332,946		-	
December 2017	332,487		350,003	
January 2018			293,208	

	438,359			
February 2018	302,476		306,000	
March 2018	366,668		552,664	
April 2018	280,196		-	
May 2018	391,453		379,045	
June 2018	263,180		598,808	
July 2018	421,260		292,000	
August 2018	455,404		290,479	
September 2018	445,813		440,000	
<b>Total</b>	<b>4,435,023</b>		<b>4,144,622</b>	

The company has not been able to show evidence that CPO sales for the July-September 2018 and PK sales period June-September 2018 are sales with RSPO Claims in accordance with the Balance Sheet. **Non-conformance No.2018.04 with Major Category**

**Status: Non-conformance No. 2018.04 with Major Category**

**D.6 Processing**

**D.6.1**

**The site shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept separated from non-certified oil palm product including during transport and storage to strive for 100% separation.**

The entire accepted and processed product in Teluk Bakau Factory comes from RSPO certified own estate and other scope certificate (supplier of Mandah Factory). Until now, Teluk Bakau Factory does not accept and process FFB from not certified sources.

Based on interview weighbridge personnel and document verification of FFB receive, the worker explained that the Teluk Bakau Factory POM just receive FFB from own Estate and other scope certificate (Mandah Estate and Rotan Semelur Estate). All Weighbridge Ticket of FFB from those plantation has been stamped with RSPO code. The stamp also given for CPO and Kernel weighbridge ticket that sent from the Teluk Bakau factory.

**Status: Comply**

**3.3 Conformity Checklist of Certificate and Logo Use**

1.	Evidence of permission or approval certificate and logo from Certification Body which submitted by Client	X or√
ASA-1.2	PT Bhumireksa Nusasejati (Sime Darby Plantation Bhd) do not use RSPO trademark and CB Logo.  Trademark License Number of Sime Darby Plantation Bhd is "RSPO-1106024"	√
<b>Status: Comply</b>		
2.	Implementation of certificate and logo used by Client comply with size and type (shape) against Guideline of Logo Use	X or√
ASA-1.2	PT Bhumireksa Nusasejati (Sime Darby Plantation Bhd) do not use RSPO trademark and CB Logo.  Trademark License Number of Sime Darby Plantation Bhd is "RSPO-1106024"	√
<b>Status: Comply</b>		
3.	Implementation of Certificate and Logo is not used on product	X or√
ASA-1.2	PT Bhumireksa Nusasejati (Sime Darby Plantation Bhd) do not use RSPO trademark and CB Logo.  Trademark License Number of Sime Darby Plantation Bhd is "RSPO-1106024"	√
<b>Status: Comply</b>		
4.	Controlling of Certificate and Logo, including withdrawing inappropriate logo.	X or√
ASA-1.2	PT Bhumireksa Nusasejati (Sime Darby Plantation Bhd) do not use RSPO trademark and CB Logo.  Trademark License Number of Sime Darby Plantation Bhd is "RSPO-1106024"	√
<b>Status: Comply</b>		

### 3.4 Summary of RSPO Partial Certification

Compliance of the uncertified management units of Sime Darby Plantation Bhd against the rules for partial certification was determined through Self-Assessment in accordance with RSPO Certification System clause 4.2.4. A summary of findings is as stated below

Sime Darby Plantation Bhd Time Bound Plan is explained in table section 1.10. Sime Darby has achieved 34 management units in Malaysia and 24 Management Units in Indonesia that RSPO certified. Total management unit in Sime Darby Plantation Bhd are 34 in Malaysia, 25 in Indonesia and 1 in Liberia. Sime Darby Plantation Bhd has informed the Time Bound Plan progress through representative's office in Indonesia. MUTU has considered that Sime Darby Plantation Bhd is comply with the RSPO requirement for Time Bound Plan. The Time Bound Plan was revised and declared by the Sime Darby Plantation Bhd Indonesian representative on June 16th, 2016 by the Head of PSQM.

MUTU has verified partial certification for un-certified unit's subsidiary of Sime Darby Plantation Bhd based on their Time Bound Plan. MUTU Auditor verified positive assurance against the company internal audit and supporting evidence as well as any information from others sources.

MUTU Auditor has verified company partial certification and concludes that:

- There are significant land conflicts in PT Mitra Austral Sejahtera, there is still an issue that remain unresolved social i.e. from Serikat Petani Kelapa Sawit (SPKS), but improvements are ongoing.
- PT Budidaya Agro Lestari waiting for land title process.
- The company has follow RSPO requirement related to New Planting Procedure and Remediation and Compensation Procedure.
- There is no labour disputes that are not being resolved through an agreed process
- All plantations established since 2005 have been done so in accordance with the applicable laws of the country and that there is no evidence of non-compliance with law in any of the non-certified holdings which has not been declared above

2.1 Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
2.2.1	Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	<p><b>Company Group/Holding Statement:</b> Companies are already doing internal audits. There are internal audit reports for each company.</p> <p><b>Auditor Verification:</b> Internal Audit report available for uncertified management unit for example PT Sandika Natapalma – Karya Palma Estate on 10 February 2017.</p>
i.	No replacement after dates defined in NIs Criterion 7.3 of: <ul style="list-style-type: none"> <li>• Primary forest.</li> <li>• Any area identified as containing High Conservation Values (HCVs).</li> <li>• Any</li> </ul>	<p><b>Company Group/Holding Statement:</b> HCV assessment has been conducted for uncertified units i.e. PT Mitra Austral Sejahtera (by Aksenta in March 2009) and Sime Darby Plantation Liberia operations (by RSPO approved assessors – Dr SK Yap in 2011).</p>

	<p>area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3.</p>	<p><b>Auditor Verification:</b> Sime Darby Plantation Bhd sent disclosure of liability including LUCA analysis to RSPO Secretariat on 2 December 2014 and 2<sup>nd</sup> revision on 24 June 2016. The companies ensuring reporting of disclosure of liability progress to RSPO and according to the CB's correspondence with RSPO Remediation and Compensation.</p>
<p>i.</p>	<p>Any new plantings since January 1<sup>st</sup> 2010 must comply with the RSPO New Plantings Procedure.</p>	<p><b>Company Group/Holding Statement:</b> A new mill will be set up in Liberia and planned for commissioning in February 2016. Preparation to undergo the RSPO Certification process is in progress and SDP targets to undergo RSPO Certification by end 2017. RSPO NPP process has been completed in 2011. Internal assessment against the draft Liberia NI has been completed and closing of gaps is in progress. *Note: RSPO NPP Announcements for SDP can be found at <a href="http://www.rspo.org/certification/new-planting-procedures/public-consultations/page/14">http://www.rspo.org/certification/new-planting-procedures/public-consultations/page/14</a></p> <p><b>Auditor Verification:</b></p> <ul style="list-style-type: none"> <li>• Karya Palma Estate (PT Sandika Natapalma) and Baturus Estate (PT Budidaya Agro Lestari) any new planting after January 1<sup>st</sup> 2010 and due to not conduct NPP.</li> <li>• RSPO NPP process has been completed in 2011 for a new mill in Liberia.</li> </ul>
<p>ii.</p>	<p>Any Land conflicts are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6.</p>	<p><b>Company Group/Holding Statement:</b> Sime Darby (Liberia) Plantation Inc. Status: Box G - Close for Monitoring Further details please refer to: <a href="http://www.rspo.org/members/complaints/status-of-complaints/view/46">http://www.rspo.org/members/complaints/status-of-complaints/view/46</a> PT Mitra Austral Sejahtera (Sime Darby Bhd) Further details please refer to: <a href="http://www.rspo.org/members/complaints/status-of-complaints/view/29">http://www.rspo.org/members/complaints/status-of-complaints/view/29</a></p>

		<p><b>Auditor Verification:</b> Auditor has verified the supporting evidence of above the company statement. There are land conflict in :</p> <ul style="list-style-type: none"><li>• PT Mitra Austral Sejahtera, this issue are remain being resolved with RSPO dispute settlement facilities</li><li>• PT Bina Sains Cemerlang, this issue was raise on 22 April 2017 and still being process to resolve.</li></ul>
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**3.5 Identification of Findings, Corrective Action, Observations, OFI and Noteworthy Positive Components**

**3.5.1. Identification of Findings, Corrective Actions and Observations at ASA-1.1 Assessment**

<b>NCR No.</b>	<b>: 2017. 01</b>	<b>Issued by</b>	<b>: Moh. Amarullah</b>
<b>Date Issued</b>	<b>: 17 November 2017</b>	<b>Time Limit</b>	<b>: 60 days (16 January 2018)</b>
<b>NC Grade</b>	<b>: Major</b>	<b>Date of Closing</b>	<b>: 15 January 2018</b>
<b>Standard Ref. &amp; Requirement</b>	<b>: 4.7.3 Records of Occupational Health and Safety (OHS) program (see 4.8) and Personal Protective Equipment (PPE) training in accordance with the result of hazard identification and risk analysis shall be available to all workers.</b>		
<b>Non-Conformance Description &amp; Evidence observed:</b>			
<ol style="list-style-type: none"> <li>Based on PPE monitoring form review from July to October 2017 in NLE, it was informed that PPE goggle for Pesticide Applicators were not available. Follow up regarding this matter is not available.</li> <li>Based on observation to Block E05 Divisi 1 NPE, it was found that Pesticide Applicators were not equipped with goggle as required by HIRAC.</li> <li>Based on observation to station Genset, Clarification, Press, Nut and Kernel, and Boiler, it was found that operator do not brings ear plug as required by HIRAC.</li> <li>Based on interview with Harvester in Block F10 Divisi 2 NLE and Block E02 Divisi 1 NPE, Fertilizer Applicators and Pesticide Applicators in NLE Office and Block E05 Divisi 1 NPE, as well as Processing Operators in TBF (Station: Loading Ramp, Sterilizer, Incinerator, Engine Room, Clarification, Press, Nut and Kernel and Boiler), it was stated that PPE boot has only given once a year, due to budget. The worker need to provide boot by themselves when it was broken. Furthermore, according to PPE delivery record, it could be concluded that PPE boot has only given once a year. This is not in accordance with procedure No. 10/BNS-PSQM-ESH/16 dated January 4<sup>th</sup> 2016. (Note: this situation has observed on the re-certification assessment).</li> </ol>			
<b>Root Cause Analysis:</b>			
<ul style="list-style-type: none"> <li>- PPE Goggle was still in order process.</li> <li>- Lack of employee awareness towards uses of PPE (earplug) during working time di several area with high noisy level.</li> <li>- Lack of employee understanding towards procedure of PPE replacement when it was broken or not properly used.</li> </ul>			
<b>Correction:</b>			
<ul style="list-style-type: none"> <li>- To conduct monitoring of PPE record for pesticide applicators unit in NLE and NPE for period November to December 2017, which already completed by goggle.</li> <li>- To conduct official letter of PPE delivery, e.g. goggle for pesticide applicators and ear plug for factory operators in the respective Stations with high noisy level.</li> <li>- To conduct socialization of PPE procedure and safety briefing which aims to improve employee awareness towards PPE and working in accordance with HIRAC analysis.</li> </ul>			
<b>Corrective Action:</b>			
<ul style="list-style-type: none"> <li>- To carried out PPE monitoring.</li> <li>- Periodically carried out safety briefing and awareness of PPE uses during working hours.</li> </ul>			
<b>Assessor Evaluation and Conclusion:</b>			
<b>15 January 2018</b>			
Certificate holder shows several documents as follows:			
<ul style="list-style-type: none"> <li>• Socialization towards PPE procedure which conducted in Divisi 2 dated August 7<sup>th</sup> 2017. Subject of socialization was given by Assistant and attended by Supervision level, 8 Harvesters and 10 Pesticide Applicators. Objective of</li> </ul>			

socialization is to refresh the importance of PPE uses. Together with this document, picture documentation of PPE delivery to the attendant has also available.

- Official letter of PPE procedure socialization for pesticide applicator in NPE by Assistant Divisi 1 NPE, which carried out in November 29<sup>th</sup> 2017 in Block E001. Apart from PPE, Chemist team has also required to bring soap and first aid kits. This socializations attended by 17 applicators. At the same time, there is also PPE complete delivery (picture documentation is available).
- Form "Monitoring of PPE Used for Chemist", for example period December 2017 in NPE and NLE. List of PPE monitoring are "caping" hat, goggle, respirator, rubber glove, apron and boot. Monitoring has carried out every day by Chemist Foreman, signed by Divisi Assistant.
- Official letter of safety briefing, conducted in front of TBF Office on January 9<sup>th</sup> 2018. Briefing is given by TBF Manager and PJS Assistant, attended by 30 operators. Subject of briefing are safety induction, PPE uses and HIRAC socialization. Documentation during the event were available.
- Official letter of PPE (earplug) delivery dated January 9<sup>th</sup> 2018 to operators in several Stations such as Crane, Boiler, Press, Nut and Kernel, Clarification, Sterrilizer, Generator Set (engine room) dan Water Ttreatment Plant. This letter has signed by Store keeper, Foreman, Act. Senior assistant and Admin Head. Documentation during the event were available.

Based on correction evidence above, it could be concluded that the company has deliver understanding to employees towards proper PPE which compulsory to be used through socialization and safety briefing, providing proper complete PPE as mentioned in HIRAC, as well as its monitoring where conducted daily. Hence **NCR No. 2017.01 is considered closed.**

**Verified by** : **Mohamad Amarullah**

<b>NCR No.</b>	<b>: 2017. 02</b>	<b>Issued by</b>	<b>: Radytio Puspanjana</b>
<b>Date Issued</b>	<b>: 17 November 2017</b>	<b>Time Limit</b>	<b>: Next Surveillance</b>
<b>NC Grade</b>	<b>: Minor</b>	<b>Date of Closing</b>	<b>: October 11, 2018</b>
<b>Standard Ref. &amp; Requirement</b>	<b>: 5.1.3 Environment monitoring plan document, its implementation report, and the corrective plan (if non-conformance arised from the monitoring result) shall be available. This plan is reviewed on twoyearly basis.</b>		

**Non-Conformance Description & Evidence observed:**

Based on document RKL-RPL implementation report semester 2 year 2016 and semester 1 year 2017, is known CH not conducted monitoring biota disturbance level, such as the measurement of plankton density and benthos density in accordance with document RKL-RPL year 2006.

**Root Cause Analysis:**

In the implementation of making RKL / RPL, not all of them are listed in RKL / RPL due to lack of understanding of PICs that make RKL / RPL and lack of monitoring in making RKL / RPL.

**Correction:**

- Showed evidence of letter for upstream and downstream Rivers of Kateman sample per 6 (six) months. (December 3, 2017 and July 4, 2018).
- Showed evidence of letter for upstream and downstream Rivers of Kateman sample by including the parameters of Biota Water analysis (plankton & Benthos) dated 28 September 2018.
- Showed the results of analysis of the upstream and downstream river water of the Kateman River (Physical Test and

Chemical Test - government regulation no. 82 of 2001)

**Corrective Action:**

- Making monitoring and ensuring that every parameter taken is included in the RKL / RPL in accordance with the RKL / RPL Matrix document.
- Monitoring the overall results of the analysis included in the RKL / RPL.

**Assessor Evaluation and Conclusion:**

**Auditor verification October 11, 2018**

The company showed evidence of corrective action in the form of:

- Letter of introduction for sample of the River Upstream and Downstream of the Kateman River on December 3, 2017 and July 4, 2018 requesting to analyze Physical parameters, Inorganic Chemical, Organic Chemical & Microbiology. There have been test results with Physical and Chemical parameters.
- Letter of introduction for sample of the River Upstream and Downstream of the Kateman River by including the parameters of Biota Water analysis (plankton & Benthos) dated 28 September 2018.

Based on the results of the root cause analysis, corrections and corrective actions, the non-compliance can be stated as fulfilled but will be observed in the next assessment.

**Verified by** : **Muhammad Rinaldi & Rizliani Aprianita**

**3.5.2. Identification of Findings, Corrective Actions and Observations at ASA 1.2 Assessment**

<b>NCR No.</b>	<b>: 2018.01</b>	<b>Issued by</b>	<b>: Dwi Haryati</b>
<b>Date Issued</b>	<b>: 12 October 2018</b>	<b>Time Limit</b>	<b>: 11 January 2019</b>
<b>NC Grade</b>	<b>: Major</b>	<b>Date of Closing</b>	<b>: 14 December 2018</b>
<b>Standard Ref. &amp; Requirement</b>	<b>: 2.1.1 Evidence of Compliance with relevant legal requirements</b>		
<b>Non-Conformance Description &amp; Evidence observed:</b>			
<p>1. Based on document review of the hazardous waste handling documents (logbook, manifest and minutes of submission / transportation of hazardous waste) and interviews with management, it is known that hazardous waste has been stored for more than 365 days in temporary hazardous waste shelter. The last hazardous waste was transported on July 25, 2017 by hazardous waste transporters. The company has shown a Work Agreement, but has not been signed by PT BNS Management. So that there is no hazardous waste transportation activity by hazardous waste transporters.</p> <p>This is not in accordance with Government Regulation 101 of 2014 which states that the storage of hazardous waste is the longest:</p> <ul style="list-style-type: none"> <li>• 180 days after hazardous Waste is produced, for hazardous Waste produced less than 50 kg per day for hazardous Waste category 1</li> <li>• 365 (three hundred sixty five) days since hazardous Waste is produced, for hazardous Waste produced less than 50 kg per day for Category 2 hazardous Waste from non-specific sources and general specific sources;</li> </ul> <p>2. Based on document review and interviews with the management unit it is known:</p> <ul style="list-style-type: none"> <li>c. Lift &amp; Transport Operators (3 TBF crane operators, 1 NLE excavator operator, 1 NPE excavator operator) have SIO Lift and Transport Aircraft, but have expired in 2015. This is not in accordance with Regulation of Labor Ministry No. 09 of 2010</li> <li>d. The boiler operator License has expired on March 16, 2016. This is not in accordance with Regulation of Labor Ministry No. 01 of 1988.</li> </ul> <p>Regarding the above, the company shows the following documentation:</p> <ul style="list-style-type: none"> <li>• Letter No. 132 / BNS-TBF / VII / 2017 dated July 15, 2017 from the Factory Manager of Teluk Bakau addressed to the Sumatra Regional HRM Selatan / Riau Selatan / Jambi regarding the License Extension of Heavy Equipment Operator and Boiler Operator.</li> <li>• Letter from the Estate Manager NLE to HRM Minamas Plantations on April 9, 2018 regarding the Extension of SIO Excavator Operators.</li> <li>• Letter from the Estate Manager NPE to HRM Minamas Plantations on October 9, 2018 regarding the Extension of SIO Excavator Operators.</li> </ul> <p>However, there is still a need for evidence of follow-up to the realization of training to ensure operators have the competence in accordance with the type of work and fulfillment of applicable regulations.</p>			
<b>Root Cause Analysis:</b>			
<p>1. It is difficult to get transporters to transport hazardous waste from PT.BNS to third parties who will handle hazardous waste.</p> <p>2. The delay in managing the OHS operator license is due to the absence of monitoring of licenses and OHS operator license at units</p>			
<b>Correction:</b>			
1. Show Agreement Letter of Handling Hazardous Waste and manifest of hazardous waste of PT BNS			

2. Show evidence of operator license extension still in process by third party (PT Arpindo Pratama)

**Corrective Action:**

1. Continuing the Agreement Letter for hazardous waste handling 3 months before the expiration date so that the transportation is not too late and assigns a PIC to monitor hazardous waste transportation at PT BNS
2. Make license and operator license monitoring in each unit.

**Assessor Evaluation and Conclusion:**

**Verification on 14 December 2018:**

**1. Hazardous waste.**

- Work Agreement No. 002 / SPK / BNS / IX / 2018 dated September 24 2018 which explained the agreement on cooperation in the transportation and destruction of hazardous waste with PT Desa Air Cargo Batam.
- Manifest of transportation of hazardous waste on November 6, 2018 with the type of waste transported, among others, Clinic Waste, Used Oil, Used Filter, Used Battery, Used Packaging, Used Lamp, Contaminated Waste.

**2. OHS License Compliance**

- Letter No.822 / AP / K3 / X / 2018, dated October 24, 2018 from PT Arpindo Pratama (PJK3) concerning the information letter of OHS Operator License Extension. The letter explained that the letter requesting an extension of the OHS operator's license on behalf of Zulfendi, Heri Saputra Muliani and Harpriadi (3 crane TBF operators) was received by PJK3 and was in the process of obtaining an extension.
- Letter No.841 / AP / K3 / X / 2018, dated 30 November 2018 from PT Arpindo Pratama (PJK3) regarding the information letter of OHS License Extension for Excavator Operators. The letter explained that the application for extension of the OHS license for the operator on behalf of Nurlubis (NLE excavator operator) was received by PJK3 and was in the process of obtaining an extension.
- OHS license for the operator of transport lifts on behalf of Sujatni (operator of NPE excavators) with No Reg.P.10.7386-OPK3-LT / PAA / VI / 2016 which is still valid until 27 June 2021.
- Monitoring the OHS license and licensing of PT BNS which explains the monitoring of the validity period of legality licenses, factory machinery and OHS licenses.

Based on these explanations, this non-conformity is stated to be fulfilled

**Verified by** : **Dwi Haryati & Muhammad Rinaldi**

<b>NCR No.</b>	<b>: 2018.02</b>	<b>Issued by</b>	<b>: Dwi Haryati</b>
<b>Date Issued</b>	<b>: 12 October 2018</b>	<b>Time Limit</b>	<b>: 11 January 2019</b>
<b>NC Grade</b>	<b>: Major</b>	<b>Date of Closing</b>	<b>: 11 January 2019</b>
<b>Standard Ref. &amp; Requirement</b>	<b>: 6.5.1 Wage documentation and work requirements must be available in accordance with applicable labor regulations.</b>		

**Non-Conformance Description & Evidence observed:**

Based on interview with management and document verification regarding the Decision Premium System of PT BNS Employee year 2013 (Memorandum No.244 / RS-est / IX / 2013) dated September 26, 2013. The auditor conducted a simulation calculation based on regulations. Explained as follows:

Based on payment of wages in September 2018, it is known that the security who works overtime is only paid a fixed premium of IDR 1,004,000 for overtime with total work days is 24 working days and 6 days off, if calculated by calculating overtime according to the regulation obtained results of IDR 2,266,526 with the details as follows:

	<b>Total days</b>	<b>Number of hours outside normal work</b>	<b>Overtime calculation</b>	<b>Total hours of overtime</b>

<b>Short working day</b>	4	3	5.5	22
<b>Long working day</b>	20	1	1.5	30
<b>Holidays</b>	6	8	17	102
<b>Total overtime / September 2018</b>				154
<b>Overtime / hours</b>				IDR 14,718
<b>Total overtime pay</b>				IDR 2,266,526

Based on this, it is known that the company has not been able to show evidence that it has paid wages outside working hours / overtime in accordance with Labor Ministry Decree No.102 of 2004 concerning overtime work and overtime wages.

**Root Cause Analysis:**

The company still uses different working hours and different premium payment.

1. The mill has more measurable output following the capacity at each station.  
The plantation on average produces output that is not measurable in each type of work.
2. The premium system for payments outside working hours is chosen by the estate based on the psychology of other jobs that use the premium system, so that the payment system in one unit uses the same system.

**Correction:**

Make new schedule for working hours and premiums for security.

1. Regulating working hours and overtime of the mill security follows the other station work systems by having measurable output.
2. As for the schedule of working hours the estate security follows the estate activities with the output on average not measurable because each job has different outputs.

**Corrective Action:**

- An affirmation letter from the Area Controller regarding the enforcement of working hours for security.
- Making arrangements of work hours for security at the plantation unit.
- Calculation of security premium are in accordance with the provisions of overtime in accordance with applicable regulations.

Calculation of 7 hours of work on the "off" day

7 hours / day = 7 x 2 = 14 hours

14 hours x 4 days / month = 56 hours

IDR 16,936, - x 56 hours = IDR. 948,000, -

Rounded up IDR 950,000

**Assessor Evaluation and Conclusion:**

**Auditor Verification on January 4, 2018**

The company shows proof of improvement in the form of Internal Office Mail No. / AC-RS / XII / 2018 dated December 19, 2018 regarding Regulations on Working Hours & Security Premiums. The memorandum explains about setting a security work schedule that refers to 40 working hours a week with several settings such as:

- Working hours are divided into 3 shifts in 1 day (8 hours a day and 40 working hours a week).
- Setting a security work day at the estate in 1 week.
- The amount of additional premium per month is IDR 950,000.
- Proportion of premium reduction if employees not leaving for work.
- Proportion of reduction in working hours if employees not leaving for work.

However, the company has not shown the calculation / determination of the additional premium amount.

The company has shown proof of improvement and an explanation of the root cause analysis, corrective and corrective

actions but additional clarification is still needed regarding the calculation / determination of the additional premium amount.

**Non-conformity is still OPEN**

**Auditor verification on January 9, 2018**

The company shows proof of improvement in the form of:

- Calculation of additional premium payments for estate security for 7 hours of work on the "off" day  
 $7 \text{ hours / day} = 7 \text{ hours} \times 2 \text{ hours} = 14 \text{ hours}$   
 $14 \text{ hours} \times 4 \text{ days} = 56 \text{ hours / month}$   
 $\text{IDR } 16,936, - \times 56 \text{ hours} = \text{IDR. } 948,000, -$   
 Rounded up IDR 950,000
- So payment for an additional security premium on Off day is IDR 950,000, - every month.
- Work schedule for the Nusa Perkasa Estate (NPE) security. So the work schedule explained that security working hours on official days were 8 hours of work with 1 hour of rest. Whereas the security premium calculation on the "off" day uses a calculation of 7 working hours.

However, it has not shown the calculation of security premiums for the month that has a national holiday, because it adds days off for workers / security.

Based on the explanation above, it is still insufficient regarding the calculation of additional premiums if there are national holidays in a given month. Because the calculation of overtime / excess work hours of 56 hours new overtime answers about the calculation of the day off security every week in one month. What if there is a national holiday like the example in December 2018 as follows:

There is 1 holiday which is a national holiday, namely Christmas Day (December 25, 2018). In the fourth week of December 2018 there are only 4 effective working days and 3 days off. In order to explain the calculation in December.

**Auditor verification January 11, 2019**

For security who leaving for work on national holidays determined by the government, an additional premium will be given, the calculation is the same as the "Off" day that goes to work worth IDR 110,000 / national holiday.

The company shows proof of improvement, coof the December 2018 premium payment simulation example, - with a total premium of IDR 1,170,000 with a total workday of 4 days off and national holidays 1 day. The simulation of premium payments has exceeded the simulation of payment with overtime systems in accordance with the regulations with a total of IDR 1,059,100 (IDR 15,130 X 14 hours X 5 days off).

**Based on the explanation above, this discrepancy is stated to be fulfilled and this will be observed again in the next assessment.**

<b>Verified by</b>	<b>:</b>	<b>Dwi Haryati</b>
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<b>NCR No.</b>	<b>:</b>	<b>2018.03</b>	<b>Issued by</b>	<b>:</b>	<b>Muhammad Rinaldi</b>
<b>Date Issued</b>	<b>:</b>	<b>12 October 2018</b>	<b>Time Limit</b>	<b>:</b>	<b>11 January 2019</b>
<b>NC Grade</b>	<b>:</b>	<b>Major</b>	<b>Date of Closing</b>	<b>:</b>	<b>11 January 2019</b>
<b>Standard Ref. &amp; Requirement</b>	<b>:</b>	<b>General COC 5.7.2</b> The involved supply chain actors mentioned in 5.7.1 shall do the following actions in the RSPO IT Platform: <ul style="list-style-type: none"> <li>• Shipping Announcement / Announcement: When RSPO certified volume is sold as certified, the volumes of products that are in the yield scheme (Figure 2 and 3, refer Annex 1) shall be registered as a Shipping Announcement / Announcement in the RSPO IT Platform. The declaration time to do Shipping announcement / Announcement is based on members' own</li> </ul>			

	<p>standard operating procedures.</p> <ul style="list-style-type: none"> <li>• Trace: When RSPO certified volumes are sold as RSPO certified to actors in the supply chain beyond the refinery, the volume shall be traced at least annually. Tracing triggers the generation of a trace document with a unique traceability number. Tracing can be done in a consolidated way at least annually.</li> <li>• Remove: RSPO certified volumes sold under other scheme or as conventional, or in case of underproduction, loss or damage shall be removed.</li> <li>• Confirm: Acknowledge the purchase of RSPO certified volume by confirming Shipping Announcements / Announcements.</li> </ul>
<p><b>Evidence observed &amp; Non-Conformance Description</b> (filled by auditor):</p> <p>Based on the sales recap of CPO &amp; PK and Data of Shipping Announcement, there are differences in physical delivery data with registration data on palmtrace, including:</p> <ul style="list-style-type: none"> <li>• For shipping PK with Contract No. 00152 / BNS / KTR-IKS / LOK / III / 2018, the amount in the Shipping Announcement No. TR-e782ce62-0f8b is 508.5 tons while the sales recap is 250.68 tons.</li> <li>• For shipping PK with Contract No. 00154 / BNS / KTR-IKS / LOK / IV / 2018, the amount in Shipping Announcement No. TR-521686f3-57fb as much as 498.82 tons while the sales recap of 379.04 tons.</li> <li>• There is no PK sales record with Shipping Announcement No. TR-9a6f3c2-ef8e with a total PK of 299.23 tons (Contract No. 00157 / BNS / KTR-IKS / LOK / V / 2018)</li> </ul>	
<p><b>Root Cause Analysis:</b></p> <ul style="list-style-type: none"> <li>• GTM (Marketing) sells PK to Adei Plantation with a contract number No. 00152/BNS/KTR-IKS/LOK/III/2018, No. 00154/BNS/KTR-IKS/LOK/IV/2018 and No. 00157/BNS/KTR-IKS/LOK/V/2018. However, due to PK quality problems at PT BNS, GTM decided to take PK supplies from PT TMP, PT AIP and PT LTS and make shipping announcements on behalf of PT BNS.</li> <li>• Lack of understanding from GTM regarding Palm Trace that inter co transfers are not permitted in the Palm Trace system and shipping announcements must be made based on company that supplies products</li> </ul>	
<p><b>Correction:</b></p> <ul style="list-style-type: none"> <li>• Contact RSPO &amp; UTZ to request a withdrawal of the shipping announcement received by PT Adei plantation.</li> <li>• Contact PT Adei plantation that the shipping announcement will be withdrawn and request to receive the shipping announcement withdrawal.</li> <li>• GTM issued a new shipping announcement for PT TMP, PT AIP and PT LTS.</li> <li>• GTM requests PT Adei plantation to receive a new shipping announcement.</li> </ul>	
<p><b>Corrective Action:</b></p> <ul style="list-style-type: none"> <li>• Conducted a meeting with UTZ and RSPO to include internal transfer product options in the Palm Trace platform. Inform GTM about the results of meetings with UTZ and RSPO.</li> <li>• If inter transfer product is not allowed, then GTM will be informed for the next only to make an announcement for each company that supplies the product.</li> </ul>	
<p><b>Assessor Evaluation and Conclusion:</b></p> <p>The company shows improvements, including:</p> <ul style="list-style-type: none"> <li>• Information Transfer Letter for PK Contract Transfer of PT BNS No. 066 / MKT / VII / 2018 dated July 6, 2018 to PT ADEI Plantation &amp; Industry regarding contract transfer no. 154 / BNS / KTR-IKS / LOK / IV / 2018 which explained that there was a transfer of PK supply for PT BNS's contract to PT Tunggal Mitra Plantations.</li> <li>• Information Transfer Letter for PK Contract Transfer of PT BNS No. 064/MKT/VII/2018 dated July 6, 2018 to PT ADEI Plantation &amp; Industry regarding contract transfer no. 152 / BNS / KTR-IKS / LOK / II / 2018 which explained that there was a transfer of PK supply for PT BNS's contract to PT Aneka Inti Persada.</li> <li>• Plans to carry out "Cancel a confirmed shipping announcement" with completion targets until the second weeks in February 2019. Activities carried out include communicating the UTZ &amp; RSPO secretariat to request cancellation of the shipping announcement, communicate to the buyer till make a new shipping announcement and inform the</li> </ul>	



buyer.

- The results of communication between the company and UTZ (Palmtree) starting from January 14, 2019 and on January 16, 2019, UTZ has informed regarding the cancellation of the shipping announcement to RSPO secretariat.

Based on the evidence of improvement above, this non-conformity is stated to be fulfilled and will be observed again in the next assessments related to the plans that have been made.

**Verified by** : **Muhammad Rinaldi**

<b>NCR No.</b>	: 2018.04	<b>Issued by</b>	: Muhammad Rinaldi
<b>Date Issued</b>	: 12 October 2018	<b>Time Limit</b>	: 11 January 2019
<b>NC Grade</b>	: Major	<b>Date of Closing</b>	: 11 January 2019
<b>Standard Ref. &amp; Requirement</b>	: <b>D.5.1</b> The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis.		
<b>Evidence observed &amp; Non-Conformance Description</b> (filled by auditor):			
The company has not been able to show evidence that CPO sales for the July-September 2018 and PK sales period June-September 2018 are sales with RSPO Claims in accordance with the Balance Sheet.			
<b>Root Cause Analysis:</b>			
<ul style="list-style-type: none"> <li>• Documentation on the unit is not yet available.</li> <li>• Regarding RSPO and non-RSPO claims are in Jakarta HO</li> </ul>			
<b>Correction:</b>			
<ul style="list-style-type: none"> <li>• Make a documentation / Recording record of each sale and ensure CPO sales for the period July-September 2018 and PK for the period June-September 2018</li> <li>• Show a contract that lists RSPO / Non RSPO</li> </ul>			
<b>Corrective Action:</b>			
<ul style="list-style-type: none"> <li>• Coordinating with Jakarta HO regarding products claimed on RSPO or Non RSPO basis</li> </ul>			
<b>Assessor Evaluation and Conclusion:</b>			
<b>11 January 2019</b>			
The company shows some evidence of improvement, including:			
<ul style="list-style-type: none"> <li>• Recapitulation of CPO and PK sales for the period January-December 2018 which explains the number and status of product claims. For CPO in the period July-September 2018, there are sales of CPO with RSPO claims of 1,000.58 tons and conventional CPO sales (Non-RSPO) of 4,573.08 tons. For PK in the period June-September 2018, there are conventional PK sales of 1,621.28 tons.</li> <li>• CPO and PK sales contracts for the period June-September 2018 that show sales with RSPO or Non-RSPO claims, for example Sales Contracts with No. 266 / BNS / KTR-MKS / LOK / VIII / 2018 dated August 16, 2018 and Invoice number / 00223 / BNS / X / 2018 dated October 25, 2018 which shows that there are 2,500 tons of RSPO claim sales (for Teluk Bakau Factory and Mandah Factory) and Delivery Order No. 00388/00266/08/18 / L-BNS-MKS explaining the contract details No. 266 / BNS / KTR-MKS / LOK / VIII / 2018 for the Teluk Bakau factory with the purchase of 1,000 tons of CPO.</li> <li>• Shipping announcement with No. TR-3eb63e8bcc49 dated 30 October 2018 for the sale of 999.48 tons of CPO to PT Golden Hope Nusantara</li> <li>• Proof of remove stock for example No. ST-TR-16606f0b-fc3c dated 11 January 2019 for the removing of conventional CSPK sales of 1,842.66 tons.</li> <li>• Proof of remove stock for example No. ST-TR-d25e660c-f585 dated 11 January 2019 for the removing of</li> </ul>			

conventional CSPO sales by 3,046.4 tons. Based on this explanation, this nonconformity is stated to be fulfilled and will be observed again in the next assessment.	
<b>Verified by</b>	<b>: Muhammad Rinaldi</b>

**3.5.3. Opportunity for Improvement**

No	Ref. Std.	Description
1	4.4.4	Ensure the condition of flowmeter ( <b>Observation</b> )
2	4.6.5	Ensure the mixing of pesticides is in accordance with the procedure
3	4.6.6	<ul style="list-style-type: none"> <li>• Ensure the realization of the hazardous Warehouse construction at NPE.</li> <li>• Ensure that the container for water from spraying equipment in the BSS NPE is closed.</li> </ul>
4	4.7.3	Ensure effective use of PPE monitoring ( <b>Observation</b> )
5	5.3	Ensuring the management of hazardous and domestic waste ( <b>Observation</b> )
6	6.3.2	Ensure that all complaints from workers can be documented.
7	6.5.3	Ensure the progress of home improvement for employees.
8	6.9.1	Ensure understanding regarding the H1 Leave Policy for all female workers.

**3.5.4. Noteworthy Positive Components**

No	Description
1	Teamwork, good PIC competencies during the assessment process
2	Has ISPO and RSPO Certificates
3	Provision of electricity to communities around the factory

**3.6 Summary of Arising Issues from Public and Auditor Verification**

Public Issues (Institution/ NGO/Community)	Auditor Verification
<p><b>Plantation Agency of Indragiri Hilir Regency (Wednesday, 10<sup>th</sup> October 2018)</b></p> <ul style="list-style-type: none"> <li>• The company already has the documents of land rights in the form of concession and permits for business activities</li> <li>• The company has reported its business activities to the plantation agency every semester.</li> <li>• There is no area expansion in PT BNS.</li> <li>• There is no environmental issues related to company's operational.</li> <li>• The company has adequate facilities and infrastructure of fire.</li> <li>• There are no negative issues such as fires.</li> <li>• CSR programs are considered good and reported every semester.</li> <li>• When there is a request for information from the agency, it has received a good response from the company.</li> </ul>	<ul style="list-style-type: none"> <li>• The company has had all plantation permit and has been complied all obligation reports.</li> <li>• Implementation of environmental management and monitoring has been explained in criteria 5.1.2 and 5.1.3.</li> <li>• Based on hydrant simulation, known that company has adequate facilities and infrastructure of fire and functioning properly.</li> <li>• Has been verified by the auditor, that the mandatory report by the company has been submitted to the relevant agency and further explained in indicator 1.1.2 regarding the provision of information to stakeholders.</li> </ul>
<p><b>Manpower Agency</b></p> <ul style="list-style-type: none"> <li>• All of Manpower monitoring has conducted by manpower agency of Riau Province.</li> <li>• The company has reported WLTK report.</li> <li>• There are no issues related to industrial relations during last year.</li> <li>• The applicable minimum wage is the Provincial Minimum Wage in 2018.</li> <li>• All the workers have been included in BPJS employment dan health.</li> <li>• There is no work accident information that is severe or fatal in the past 1 year.</li> <li>• Contract worker has been registered in the Manpower Agency of Indragiri Hilir District.</li> <li>• Meetings between the labor agency, the company and representatives of trade unions in August 2018 have been progress. There is still good effort from the company to respond the results of the meeting.</li> </ul>	<p>Has been verified by the auditor, all mandatory reports by the company have been submitted to the relevant agency and further explained in indicator 1.1.2 regarding the provision of information to stakeholders.</p> <p>The auditor has verified related to employment and has been explained for example in indicators 4.7.6, 6.5.1, 6.5.2</p>
<p><b>Environmental Agency</b></p> <ul style="list-style-type: none"> <li>• The company has an environmental permit.</li> <li>• The company has land applications permit which are still valid.</li> <li>• Hazardous waste permit is still valid.</li> <li>• The Company regularly reports mandatory reporting such as hazardous waste report and report of Environmental Management Plan – Environmental Monitoring Plan.</li> <li>• Company always consult with environmental agency related environmental management.</li> <li>• There are no issues about environmental pollution or fire at PT BNS.</li> <li>• The time to store hazardous waste has exceeded of the time determined in the permit and regulation</li> </ul>	<ul style="list-style-type: none"> <li>• It has verified by auditor team, the company has reporting maandatory report such as RKL/RPL report every semester.</li> <li>• Implementation of environmental management and monitoring has been explained in criteria 5.1.2 and 5.1.3.</li> <li>• The issue about time to store hazardous waste has become <b>nonconformity No. 2018.01</b></li> </ul>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<p><b>Makmur Jaya village</b></p> <ul style="list-style-type: none"> <li>Assistance from companies that are routinely given to the village is not much that can be explained because of the limited information received and the considerable distance from the village office.</li> <li>Not a previous landowner.</li> <li>There were no complaints regarding environmental pollution caused by the company's operational activities.</li> <li>With the existence of the company, the community feels a positive impact such as the ease of transportation facilities to sell the main village products, namely coconut commodities.</li> </ul>	<p>It has been accordance with criteria 5.1, 6.1, 6.3 and 6.11</p>
<p><b>Worker Union Estate and Factory (NLE, NPE, TBE and TBF)</b></p> <ul style="list-style-type: none"> <li>The Workers' Union has been registered at the Manpower Office of Indragiri Hilir Regency for example in 2014 for Nusa Lestari Estate, in 2018 for Nusa Perkasa Estate.</li> <li>There was a tripartite meeting between representatives of the Manpower Indragiri Hilir Regency, the company and the Worker Union PT BNS representing the workers. The meeting was held at Tembilahan on August 27, 2018 which discussed the issue of adjusting the harvest premium, PKWT TBF appointment etc. The progress of the response to the results of the meeting is still ongoing and remains in the monitoring of the Manpower Regency of Indragiri Hilir.</li> <li>Current types of workers in the PT BNS : permanent workers, and PKWT (contract).</li> <li>The company has adjusted the minimum wage in 2018 and has paid the shortfall in April 2018.</li> <li>All workers including contract workers (PKWT) have been registered with BPJS membership in employment and health.</li> <li>The appointment of workers (promotions) remains carried out according to needs and through the assessment process. Including assessment for contract workers (PKWT) has been carried out in accordance with procedures. The appointment will be made if it meets the requirements and there is a need from the company.</li> <li>There is no discrimination in the acceptance and promotions, all receive equal opportunities according to procedures.</li> <li>The company has provided PPE for workers who are</li> </ul>	<ul style="list-style-type: none"> <li>The company has demonstrated the application of freedom of association for workers, as explained in criterion 5.4.</li> <li>All PUKs have been legalized and registered at the Manpower Office of Indragiri Hilir regency, for example recording PUK NPE on September 18, 2018. No. Listing of 560 / DISNAKERTRANS-HISK / IX / 2018/02 dated 19 September 2018.</li> <li>Progress of building permanent housing for employees has been documented for example for NPE units: <ul style="list-style-type: none"> <li>In 2009: 19 units (G2) 38 doors in the km 15.5 division III NPE.</li> <li>Year 2018: 19 units (G2) 38 doors in the km km 15.5 division III NPE.</li> <li>2018: 8 units (G1) 38 doors in the 15.5 km III division III NPE.</li> </ul> </li> <li>Regarding the provision of premiums that still substitute overtime payments, the company has not been able to show that it has paid wages outside working hours / overtime in accordance with Kepmenaker No. 102 of 2004 concerning overtime work and overtime pay. This makes <b>Non conformance NCR No.2018.02.</b></li> </ul>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<p>used while working and the PPE procedure will be damaged will be replaced with a record of damage due to work factors. Monitoring the use of PPE that still needs to be improved.</p> <ul style="list-style-type: none"> <li>• Currently Corrective Labour Agreement (PKB) is still valid for 2015-2017, still valid until the new PKB is issued from BKS PPS.</li> <li>• Overtime estate workers use a fixed premium system based on the 2013 memorandum and there have been no adjustments until the assessment activities are carried out (2018).</li> <li>• Calculation of overtime in Teluk Bakau Factory has adjusted of overtime in PKB.</li> <li>• Every worker is given freedom in association, for example by becoming a member of SPSI.</li> <li>• Each member will be subject to regular contributions every month by deducting from a salary of IDR 5000, - (estate) and IDR 10,000 (factory) with the agreement of the worker / member itself.</li> <li>• Complaints of workers to SPSI have been submitted to companies with bipartite discussions. Documentation of worker complaints through labor union is still very limited.</li> <li>• Documentation of meetings both internal and the company is in the SPSI secretary and stored in the management unit (estate and factory).</li> <li>• Worker facilities provided by the company, such as housing, electricity from generators, clean water from pumps, water transportation, central clinics in Teluk Bakau Estate, first aid post, schools (kindergarten, elementary school, TBE third division junior high school and NPE high school), religious facilities.</li> <li>• Progress on the construction of permanent housing still progresses. Every worker has been equipped with a Work Agreement that explains the rights of workers and OSH</li> </ul>	
<p><b>Gender Committee (NLE, NPE, TBE &amp; TBF)</b></p> <ul style="list-style-type: none"> <li>• In the last months of the 2017-2018 period there were no reports of sexual harassment or violation of women's reproductive rights.</li> <li>• There is no reporting of violations of discrimination against female workers by companies. Job opportunities and promotions apply to all workers who walk according to procedures.</li> </ul>	<p>Become an opportunity for improvement for the company (OFI) regarding the provision of understanding related to H1 Leave Policy for all female workers.</p>

<b>Public Issues (Institution/ NGO/Community)</b>	<b>Auditor Verification</b>
<ul style="list-style-type: none"> <li>• The H1 and H2 leave policy applies to all female workers at PT BNS but not all employees have been known.</li> <li>• Socialization of policies to prevent sexual harassment and protection of women workers' rights has been communicated to workers and guarantees of protection for whistleblowers and witnesses in the event of sexual harassment / acts of reproductive rights.</li> <li>• The company has demonstrated an effort to facilitate access in obtaining adequate and adequate food ingredients, for example by the establishment of employee cooperatives that sell daily basic necessities.</li> </ul>	
<p><b>Local Contractor (Replanting)</b></p> <ul style="list-style-type: none"> <li>• Currently working on replanting work at the Teluk Bakau Estate and Nusa Lestari Estate from uprooted to land preparation.</li> <li>• Work done based on a work agreement that has been agreed upon by both parties and held by a contractor.</li> <li>• In the agreement, aspects of occupational safety and employment have been determined for example related to work accident insurance and provision of PPE provided by the contractor.</li> <li>• There is no problem regarding payment by the company. The calculation is based on the agreement of both parties and is paid on time according to the agreement.</li> <li>• The company has conducted socialization related to aspects of safe working, human rights policies and the company's code of ethics.</li> </ul>	<p>Cooperation with contractors has been carried out fairly in accordance with agreements made by both parties.</p>
<p><b>Village of Pelangiran</b></p> <ul style="list-style-type: none"> <li>• There is no land dispute issue</li> <li>• There are no environmental pollution and fire issues</li> <li>• Issues related to Oryctes pests in the community have been resolved by changing money and controlling pests</li> <li>• Many villagers who work in the company</li> <li>• There is a business development activity from the company in collaboration with the university</li> <li>• There are CSR activities in the form of road maintenance in the area of <i>parit batas</i> and <i>pulai 3</i></li> </ul>	<p>This is in accordance with 2.2, 2.3, 5.1, 6.3, 6.11</p>

**4.0 CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY**

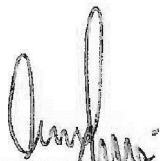
**4.1 Formal Sign-off of Assessment Findings**

Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.


Signed on behalf of:

PT. Bhumireksa Nusasejati  
Head of PSQM Plantation Minamas Indonesia

Mutuagung Lestari  
Lead Auditor



**Alagendran Maniam**  
Friday, 25 January 2019



**Muhammad Rinaldi**  
Friday, 25 January 2019

Appendices

Appendix 1. List of Stakeholder Contacted in the RSP0 Certification Process

No	Institution/NGO/Community	Address	Phone/Email	Form of Communication	Date of Contact	Response	
						Yes	No
1	Plantation Agency	Tembilahan, Indragiri Hilir District, Riau province		Phone	10 <sup>th</sup> October 2018	√	
2	Labour Agency	Tembilahan, Indragiri Hilir District, Riau province		Phone	10 <sup>th</sup> October 2018	√	
3	Environment Agency	Tembilahan, Indragiri Hilir District, Riau province		Phone	10 <sup>th</sup> October 2018	√	
4	Pelangiran village (3 persons)	Sub-District of Pelangiran, Indragiri Hilir Regency		Direct visit and interview	09 <sup>th</sup> October 2018	√	
5	Makmur Jaya village (5 persons)	Sub-District of Kateman, Indragiri Hilir Regency		Direct visit and interview	11 <sup>th</sup> October 2018	√	
6	Worker Union of Nusa Lestari Estate, Nusa Perkasa Estate, Teluk Bakau estate and Teluk Bakau Factory	Indragiri Hilir District, Riau province		Direct visit and interview	9 <sup>th</sup> to 11 <sup>th</sup> October 2018	√	
7	Gender Committee	Indragiri Hilir District, Riau province		Direct visit and interview	9 <sup>th</sup> to 11 <sup>th</sup> October 2018	√	
8	Local Contractor	Indragiri Hilir District, Riau province		Direct visit and interview	11 <sup>th</sup> October 2018	√	
8	WALHI	Indonesia	<a href="mailto:info@walhi.or.id">info@walhi.or.id</a>	email	2 October 2018		√
9	WWF	Indonesia	<a href="mailto:suhandri@wwf.or.id">suhandri@wwf.or.id</a>	email	2 October 2018		√
10	Sawit Watch	Indonesia	<a href="mailto:info@sawitwatch.or.id">info@sawitwatch.or.id</a>	email	2 October 2018		√
11	<ul style="list-style-type: none"> <li>• Sterilizer ( 1 male worker)</li> <li>• Kernel ( 1 male worker)</li> <li>• Boiler ( 1 male worker)</li> <li>• Warehouse (3 workers)</li> <li>• Workshop (3 workers)</li> <li>• WTP (2 workers)</li> </ul>	Teluk Bakau POM		Direct interview	09 <sup>th</sup> October 2018	√	
12	<ul style="list-style-type: none"> <li>• 2 Harvester</li> <li>• 4 manuring</li> </ul>	Nusa Perkasa Estate		Direct interview	09 <sup>th</sup> October 2018	√	



	<ul style="list-style-type: none"> <li>worker (female)</li> <li>• 4 pesticide applicator (female)</li> <li>• Warehouse (2 worker)</li> <li>• Workshop (1 worker)</li> <li>• Clinic (2 workers)</li> </ul>						
13	<ul style="list-style-type: none"> <li>• 1 BSS &amp; BMS House officer (female)</li> <li>• Fertilizer warehouse (1 male)</li> <li>• Genset House ( 1 male operator)</li> <li>• Workshop ( 1 male worker)</li> <li>• Housing resident (2 female)</li> </ul>	Nusa Lestari Estate		Direct interview	10 <sup>th</sup> October 2018	√	
14	<ul style="list-style-type: none"> <li>• 5 pesticide applicator (female)</li> <li>• Warehouse (1 worker)</li> <li>• Clinic (1 workers)</li> </ul>	Teluk Bakau Estate		Direct interview	11 <sup>th</sup> October 2018	√	

Appendix 2. Assessment Program

DATE		October 8 to 13, 2018	
PLANNED TIME	ACTUAL DURATION	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
<b>Monday, October 8, 2018</b>			
06.25 - 08.10	06.25 - 08.10	<b>JAKARTA → BATAM</b>	Auditor Team  MR PT BNS & Auditor Team
11.00 - 15.00	11.00 - 15.00	Traveling from Batam to Plantation Site	
16.00 - 17.00	16.00 - 17.00	Opening Meeting Review of Time Bound Plan and Partial Certification Review of previous findings Verification of Basic Information Mill and Estate	
<b>Tuesday, October 9, 2018</b>			
08.00 – 12.00	08.00 – 12.00	<ul style="list-style-type: none"> <li>Stakeholder Consultation to Related Agencies in Indragiri Hilir District by phone</li> <li>Interview with Gender Committee, Worker's Union, Local Contractor for Mill and Estate (CPO, kernel and FFB transporter), Third Party Supplier (if any), Plasma cooperative (if any).</li> <li>Stakeholder consultation to affected communities (<i>Aparat Desa, Tokoh Masyarakat</i> and <i>pemilik lahan sebelumnya</i>) surrounding the plantations</li> </ul> <p><b>Field Visit to Nusa Lestari Estate</b></p> <ul style="list-style-type: none"> <li>Manuring, Spraying, Harvesting, Integrated Pest Management (IPM), and Worker Welfare (payments, complaint mechanism)</li> <li>Legal operational</li> <li>High Conservation Value Area, Empty Fruit Bunch Application, Fragile Soil Management</li> <li>Worker facilities (housing, health clinic, clean water, etc) and Hazardous Waste Material (B3) management, Land Fire facilities, Storage, ect.</li> </ul>	DWH  DWH  MRD  RAH, HRK
12.00 – 14.00	12.00 – 14.00	<b>Break</b>	
14.00 – 17.00	14.00 – 17.00	<p><b>Field Visit to Teluk Bakau POM</b></p> <ul style="list-style-type: none"> <li>Workshop, Chemical Storage, Loading Ramp (Grading), waste management</li> <li>Supply Chain &amp; Operational activities</li> <li>WWTP (IPAL), Land Application (LA), WTP, Hazardous Waste Material (LB3) management</li> </ul>	All Team
<b>Wednesday, October 10, 2018</b>			
08.00 – 12.00	08.00 – 12.00	<p><b>Field Visit to Nusa Perkasa Estate</b></p> <ul style="list-style-type: none"> <li>Manuring, Spraying, Harvesting, Integrated Pest Management (IPM), and Worker Welfare (payments, complaint mechanism)</li> <li>Legal operational</li> <li>High Conservation Value Area, Empty Fruit Bunch Application, Fragile Soil Management</li> </ul>	All Team

DATE		October 8 to 13, 2018	
PLANNED TIME	ACTUAL DURATION	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
		<ul style="list-style-type: none"> <li>Worker facilities (housing, health clinic, clean water, etc) and Hazardous Waste Material (B3) management, Land Fire facilities, Storage, ect.</li> </ul>	
12.00 – 14.00	12.00 – 14.00	<b>Break</b>	
14.00 – 15.00	14.00 – 15.00	<ul style="list-style-type: none"> <li>Continue Field Observation and field observation clarification</li> </ul>	<b>All Team</b>
15.00 – 17.00	15.00 – 17.00	<ul style="list-style-type: none"> <li>Continue document verification and completing checklist</li> </ul>	
<b>Thursday, October 11, 2018</b>			
08.00 – 12.00	08.00 – 12.00	<b>Field Visit to Teluk Bakau Estate</b> <ul style="list-style-type: none"> <li>Manuring, Spraying, Harvesting, Integrated Pest Management (IPM), and Worker Welfare (payments, complaint mechanism)</li> <li>Legal operational</li> <li>High Conservation Value Area, Empty Fruit Bunch Application, Fragile Soil Management</li> <li>Worker facilities (housing, health clinic, clean water, etc) and Hazardous Waste Material (B3) management, Land Fire facilities, Storage, ect.</li> </ul>	<b>All Auditor</b>
12.00 – 14.00	12.00 – 14.00	<b>Break</b>	
14.00 – 17.00	14.00 – 17.00	<ul style="list-style-type: none"> <li>Continue Field Observation and field observation clarification</li> <li>Continue document verification and completing checklist</li> </ul>	<b>All Team</b>
<b>Friday, October 12, 2018</b>			
08.00 -10.00	08.00 -10.00	<b>Closing Meeting</b>	<b>All Auditor</b>
10.00 - .....	10.00 - 17.00	<b>Travel from Plantation Area to Batam</b>	<b>All Auditor</b>
<b>Saturday, October 13, 2018</b>			
07.00 -12.00	07.00 -12.00	<b>Batam → JAKARTA</b>	<b>All Auditor</b>